

Press Release

Shamsons Polymers Private Limited

October 19, 2021

Rating Update



| | |
|-------------------------------------|---|
| Total Bank Facilities Rated* | Rs. 14.50 Cr. |
| Long Term Rating | ACUITE D (Downgraded from ACUITE BB-) Issuer not co-operating |
| Short Term Rating | ACUITE D (Downgraded from ACUITE A4+) Issuer not co-operating |

* Refer Annexure for details

Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE D**' (read as **ACUITE D**) from '**ACUITE BB-**' (read as **ACUITE Double B minus**) and short-term rating to '**ACUITE D**' (read as **ACUITE D**) from '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 14.50 crore bank facilities of Shamsons Polymers Private Limited. The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

The downgrade is based on the information available in the public domain which reflects delays in debt servicing.

About the Company

Shamsons Polymers Private Limited (SPPL) was incorporated in the year 1993 is engaged into manufacturing of sports and casual shoes, hawai chappals and sandals through ~150 distributors and to the companies like Bata with pan India presence. It has manufacturing capacity of 300,000 pairs per month at its facilities in Sahibabad and Noida in Uttar Pradesh, and at Narela in Delhi. The company was promoted by Mr. Deepak Batra who has more than two decades of experience in footwear industry. The company sells its product with the brand name 'Oasis'.

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Liquidity Position

No information provided by the issuer/ available for Acuité to comment upon.

Rating Sensitivities

No information provided by the issuer/ available for Acuité to comment upon.

About the Rated Entity Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow -ups.

Rating History (Up to last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr) | Ratings/Outlook |
|-----------|---------------------------------|------------|-----------------|--------------------------------------|
| 22-Jan-21 | Cash Credit | Long term | 7.00 | ACUITE BB- (Downgraded & Indicative) |
| | Letter of Credit | Short term | 2.50 | ACUITE A4+ (Indicative) |
| | Term Loan | Long term | 2.26 | ACUITE BB- (Downgraded & Indicative) |
| | Proposed Bank Facility | Long term | 2.74 | ACUITE BB- (Downgraded & Indicative) |
| 08-Nov-19 | Cash Credit | Long term | 7.00 | ACUITE BB (Indicative) |
| | Letter of Credit | Short term | 2.50 | ACUITE A4+ (Indicative) |
| | Term Loan | Long term | 2.26 | ACUITE BB (Indicative) |
| | Proposed Bank Facility | Long term | 2.74 | ACUITE BB (Indicative) |
| 14-Aug-18 | Cash Credit | Long term | 7.00 | ACUITE BB (Indicative) |
| | Letter of Credit | Short term | 2.50 | ACUITE A4+ (Indicative) |
| | Term Loan | Long term | 2.26 | ACUITE BB (Indicative) |
| | Proposed Bank Facility | Long term | 2.74 | ACUITE BB (Indicative) |

#Annexure – Details of instruments rated

| Lender Name | Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Crore) | Ratings/Outlook |
|--|------------------------|------------------|----------------|----------------|-------------------------------|--|
| Punjab National Bank (Erstwhile Oriental Bank of Commerce) | Cash Credit | Not Applicable | Not Applicable | Not Applicable | 7.00 | ACUITE D (Downgraded from ACUITE BB-) Issuer not co-operating* |
| Punjab National Bank (Erstwhile Oriental Bank of Commerce) | Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 2.50 | ACUITE D (Downgraded from ACUITE A4+) Issuer not co-operating* |

| | | | | | | |
|--|------------------------|----------------|----------------|----------------|------|--|
| Punjab National Bank (Erstwhile Oriental Bank of Commerce) | Term Loan | Not Available | Not Available | Not Available | 2.26 | ACUITE D (Downgraded from ACUITE BB-) Issuer not co-operating* |
| Not Applicable | Proposed Bank Facility | Not Applicable | Not Applicable | Not Applicable | 2.74 | ACUITE D (Downgraded from ACUITE BB-) Issuer not co-operating* |

*The issuer did not co-operate; based on best available information.

Contacts

| Analytical | Rating Desk |
|--|--|
| <p>Aditya Gupta Vice President – Corporate Ratings Tel: 022-49294041 aditya.gupta@acuite.in</p> <p>Dipti Ahire Rating Analyst - Rating Operations Tel: 022-49294011 dipti.ahire@acuite.in</p> | <p>Varsha Bist Senior Manager – Rating Desk Tel: 022-49294011 rating.desk@acuite.in</p> |

About Acuité Ratings & Research:

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 8,850 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité, Acuité's rating scale and its definitions.