

Press Release
Kumar and Company

November 26, 2021



Rating Downgraded and Issuer not co-operating

Product	Net Quantum (Rs. Cr)	Withdrawn Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	11.83	0.00	ACUITE B+ Downgraded Issuer not co-operating*	-
Total	11.83	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE B+** ' (read as **ACUITE B plus**) from '**ACUITE BB-'** (read as **ACUITE double B minus**) on the Rs. 11.83 crore bank facilities of Kumar and Company (KC). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

KC was established in the year 2010 and is engaged in the business retail & wholesale trading of medicines, surgical equipment's, cosmetics & other related items. The operations of the firm, however, commenced from 2014. KC is managed by Mr. Karan Singla and Vinod Singla. The products are procured through distribution contracts with pharmaceutical companies which are renewed annually. Apart from over the counter sales (retail), the firm also supplies medicines to private as well as government hospitals and commando hospitals. Currently, KOC operates through its two outlets located in Chandigarh and New Delhi.

Non-cooperation by the issuer/borrower:

Acuite 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 the due date.

Acuite 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 continues to be flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Applicable Criteria

- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.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). Acuite endeavored to gather information about the entity/industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Liquidity Indicators

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

Rating Sensitivity

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

About the Rated Entity - Key Financials

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

Status of non-cooperation with previous CRA

None

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

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
27 Aug 2020	Cash Credit	Long Term	11.50	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.33	ACUITE BB- (Downgraded and Issuer not co-operating*)
31 May 2019	Cash Credit	Long Term	11.50	ACUITE BB (Issuer not co-operating*)
	Term Loan	Long Term	0.33	ACUITE BB (Issuer not co-operating*)
24 Mar 2018	Cash Credit	Long Term	11.50	ACUITE BB Stable (Assigned)
	Term Loan	Long Term	0.33	ACUITE BB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Size Of Issue	Rating
Andhra Bank	Cash Credit	Not Applicable	Not Applicable	Not Applicable	11.50	ACUITE B+ Downgraded Issuer not co-operating*
Andhra Bank	Term Loan	Not available	Not available	Not available	0.33	ACUITE B+ Downgraded Issuer not co-operating*

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.

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