

Press Release

Carlton Overseas Private Limited (COPL)

November 27, 2019



Rating Update

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|-------------------------------------|---|
| Total Bank Facilities Rated* | Rs.27.00 Cr.# |
| Long Term Rating | ACUITE BB+ (Revised from ACUITE BBB-) Issuer not co-operating* |
| Short Term Rating | ACUITE A4+ (Revised from ACUITE A3) Issuer not co-operating* |

#Refer Annexure for details

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

Rating Rationale

Acuité has revised the long-term rating to '**ACUITE BB+**' (**read as ACUITE double B plus**) from '**ACUITE BBB-**' (**read as ACUITE triple B minus**) and the short term rating to '**ACUITE A4+**' (**read as ACUITE A four plus**) from '**ACUITE A3**' (**read as ACUITE A three**) on the Rs.27.00 crore bank facilities of CARLTON OVERSEAS PRIVATE LIMITED. This rating is now an indicative rating and is based on best available information.

The Delhi-based, COPL was incorporated in 1993 by Mr. Baljit Virk as an exporter of leather footwear. In 1996-97, the company started its own manufacturing unit at Khandsa Village in Gurgaon. In 2004, the company entered into the retail segment in India by opening up 14 retail outlets in Delhi, Gurgaon; Ludhiana, Amritsar, Mohali, Jalandhar in Punjab; Ambala in Haryana and Chandigarh. COPL is engaged in the manufacturing trading and export of leather footwear and trading of other leather accessories such as handbags among others. Currently, COPL has 2 manufacturing units- one in Gurgaon and one in Baddi with a manufacturing capacity of 3 lac pieces per annum and 1.5 lac pieces per annum respectively.

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.

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

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.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-53.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 endeavored 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.

About the Rated Entity- Key Financials

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

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

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 (Up to last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr) | Ratings/Outlook |
|-------------------|------------------------------------|------------|-----------------|--------------------------------|
| 11-September-2018 | Cash Credit | Long term | 4.50 | ACUITE BBB-/ Stable (Assigned) |
| | PC/PCFC | Long term | 7.50 | ACUITE A3 (Assigned) |
| | Proposed Cash Credit | Long term | 2.00 | ACUITE BBB-/ Stable (Assigned) |
| | Proposed Bank Facility | Long term | 5.00 | ACUITE BBB-/ Stable (Assigned) |
| | Bank Guarantee/Letter of Guarantee | Short term | 6.25 | ACUITE A3 (Assigned) |
| | Proposed Bank Guarantee | Short term | 1.75 | ACUITE A3 (Assigned) |

*Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Crore) | Ratings/Outlook |
|------------------------------------|------------------|----------------|----------------|-------------------------------|--|
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 4.50 | ACUITE BB+ (Revised from ACUITE BBB-) Issuer not co-operating* |
| PC/PCFC | Not Applicable | Not Applicable | Not Applicable | 7.50 | ACUITE A3 Issuer not co-operating* |
| Proposed Cash Credit | Not Applicable | Not Applicable | Not Applicable | 2.00 | ACUITE BB+ (Revised from ACUITE BBB-) Issuer not co-operating* |
| Proposed Bank Facility | Not Applicable | Not Applicable | Not Applicable | 5.00 | ACUITE BB+ (Revised from ACUITE BBB-) Issuer not co-operating* |
| Bank Guarantee/Letter of Guarantee | Not Applicable | Not Applicable | Not Applicable | 6.25 | ACUITE A4+ (Revised from ACUITE A3) Issuer not co-operating* |
| Proposed Bank Guarantee | Not Applicable | Not Applicable | Not Applicable | 1.75 | ACUITE A4+ (Revised from ACUITE A3) Issuer not co-operating* |

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

Contacts

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| Analytical | Rating Desk |
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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile SMERA Ratings 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 6,000 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 Mumbai.

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