

Press Release

Shekhawati Art Exports

July 08, 2020

Rating Update



| | |
|-------------------------------------|---|
| Total Bank Facilities Rated* | Rs. 9.00 Cr.# |
| Long Term Rating | ACUITE BB- Downgraded & Issuer not co-operating* |

#Refer Annexure for details

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

Rating Rationale

Acuité has downgraded the long-term rating of '**ACUITE BB**' (read as **ACUITE double B**) to '**ACUITE BB-**' (read as **ACUITE double B minus**) on the Rs. 9.00 cr. bank facilities of Shekhawati Art Exports (SAE). This rating is now an indicative rating and is downgraded on account of information risk.

Jodhpur-based, Shekhawati Art Exports was established in 2003 by Mr. Vinod Kumar and later Mr. Lalit Kumar Johari joined the firm in 2006. The firm is engaged in the business of manufacturing wooden furniture with installed capacity of 8000 pieces per annum. Further SAE is into 100 percent exports to countries like US, Italy, Spain to name a few. In addition to the furniture manufacturing business Shekhawati Art Exports is in the trading business of Guar and Churi seeds and it has also set up a wind mill in Gujarat in the year 2015 with the installed capacity of 2.1 M.W.

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.

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 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

| | Unit | FY20 (Provisional) | FY19 (Actual) |
|-------------------------------|---------|--------------------|---------------|
| Operating Income | Rs. Cr. | 13.78 | 15.53 |
| PAT | Rs. Cr. | 1.78 | 0.07 |
| PAT Margin | (%) | 12.95 | 0.43 |
| Total Debt/Tangible Net Worth | Times | 0.32 | 0.46 |
| PBDIT/Interest | Times | 21.10 | 3.01 |

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

None

Any other information

Acuite 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 |
|-------------|---------------------------------|-----------|-----------------|------------------------------------|
| 24-Apr-2019 | Term Loans | Long term | 9.00 | ACUITE BB/ Stable (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 |
|------------------------|------------------|----------------|----------------|-------------------------------|---|
| Term Loans | Not Applicable | Not Applicable | Not Applicable | 9.00 | ACUITE BB- Downgraded & Issuer not co-operating* |

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

Contacts

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|---|---|
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About Acuite Ratings & Research:

Acuite 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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