



Press Release

Kamarhatty Company Limited

May 31, 2023

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	53.90	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	5.10	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	59.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating from 'ACUITE BBB' (read as ACUITE triple B) to 'ACUITE BB+' (read as ACUITE double B plus) and short term rating from 'ACUITE A3+' (read as A three plus) to 'ACUITE A4+' (read as ACUITE A four plus) on Rs. 59.00 Cr. bank facilities of Kamarhatty Company Limited. This rating is now an indicative rating and is based on the best available information. The rating has been downgraded on account of information risk.

About the Company

Kamarhatty Company Limited was set up in 1877 under British managing agency Jardine Henderson Ltd which was later on taken over by its current director Mr. Sushant Kumar Agarwal in 1987 and is one of the oldest functioning composite jute mills in the locality. The company is engaged in manufacturing of hessian, sacks and jute yarn with manufacturing facility located in Kamarhatti, Kolkata, on the banks of the river Ganges. Currently, the company is managed by Mr. Harsh Nahata.

About the Group

Incorporated in 2004, Kamakshi Jute Industries Limited (KJIL) is engaged in manufacturing of hessian bags, sacks and jute yarn with manufacturing facility located at Cooch Behar, West Bengal spread across an area of 14.95 acres of land. The installed capacity is 3800 TPA for yarn, 2390 TPA for hessian bags and 8670 TPA for sacking. The company is currently managed by its directors Mr. Harsh Nahata, Mr. Virendra Nahata and Mr. Sushant Kumar Nahata. KJIL procures raw jute from suppliers located in Kolkata and nearly 90 percent sales are made to Directorate General of Supplies and Goods.

Keshava Jute Mills Private Limited (the 'Company') formerly Kishore Trading Company Private Limited is engaged in manufacturing of jute yarn, hessian fabrics and sacking bags. Incorporated on 2nd November 2010, the company has its manufacturing unit in Rajam, Andhra Pradesh. Currently, the company is managed by its director Mr. Harsh Nahata.

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

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.

Rating Sensitivities

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

Material Covenants

None.

Liquidity Position

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

Outlook

Not applicable.

Other Factors affecting Rating

None.

Key Financials:

The rated entity has not shared the latest financial statements for Acuite to comment.

Status of non-cooperation with previous CRA

Brickwork Rating vide its press release dated 6.4.2023, had downgraded the company to BWR B/stable/A4; Issuer Not Cooperating.

Any other information

None.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
17 Mar 2022	Term Loan	Long Term	18.95	ACUITE BBB Stable (Reaffirmed)
	Bank Guarantee	Short Term	4.60	ACUITE A3+ (Reaffirmed)
	Dropline Overdraft	Long Term	3.13	ACUITE BBB Stable (Assigned)
	Letter of Credit	Short Term	0.50	ACUITE A3+ (Reaffirmed)
	Dropline Overdraft	Long Term	0.12	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB Stable (Assigned)
	Working Capital Term Loan	Long Term	5.60	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	8.00	ACUITE BBB Stable (Assigned)
	Cash Credit	Long Term	9.50	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	2.00	ACUITE BBB Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	1.60	ACUITE BBB Stable (Reaffirmed)
01 Feb 2021	Term Loan	Long Term	16.31	ACUITE BBB Stable (Assigned)
	Cash Credit	Long Term	9.50	ACUITE BBB Stable (Assigned)
	Working Capital Term Loan	Long Term	4.00	ACUITE BBB Stable (Assigned)
	Letter of Credit	Short Term	2.50	ACUITE A3+ (Assigned)
	Bank Guarantee	Short Term	4.60	ACUITE A3+ (Assigned)
	Term Loan	Long Term	3.91	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	2.05	ACUITE BBB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Kotak Mahindra Bank	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	4.60	ACUITE A4+ Downgraded Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	9.50	ACUITE BB+ Downgraded Issuer not co-operating*
Standard Chartered Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	5.00	ACUITE BB+ Downgraded Issuer not co-operating*
ICICI Bank Ltd	Not Applicable	Dropline Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	0.12	ACUITE BB+ Downgraded Issuer not co-operating*
ICICI Bank Ltd	Not Applicable	Dropline Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	3.13	ACUITE BB+ Downgraded Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	0.50	ACUITE A4+ Downgraded Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	18.95	ACUITE BB+ Downgraded Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	2.00	ACUITE BB+ Downgraded Issuer not co-operating*
Standard Chartered Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	8.00	ACUITE BB+ Downgraded Issuer not co-

								operating*
Kotak Mahindra Bank	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	Simple	5.60	ACUITE BB+ Downgraded Issuer not co- operating*
ICICI Bank Ltd	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	Simple	1.60	ACUITE BB+ Downgraded Issuer not co- operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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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