



Press Release

QVC Exports Limited (Erstwhile QVC Exports Private Limited)

July 19, 2024

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	8.36	ACUITE B+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	31.64	-	ACUITE A4 Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	40.00	-	-

Rating Rationale

Acuité has downgraded its long-term rating to '**ACUITE B+**' (read as **ACUITE B plus**) from '**ACUITE BB-**' (read as **ACUITE Double B minus**) and short-term rating to '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.40.00 crore bank facilities of QVC EXPORTS LIMITED (ERSTWHILE QVC EXPORTS PRIVATE LIMITED) .

The rating is now flagged as "Issuer Not Cooperating" and is based on the best available information. The downgrade is based on Information risk.

About the Company

Incorporated in 2005, QVC Exports Limited is a Kolkata-based company engaged in trading of metals and minerals, such as iron, steel, ferroalloys (silico manganese, high carbon Ferrochromes among others) copper, nickel, aluminium, manganese ore, coal and coke. Ferroalloys products are mostly exported to European countries, whereas other products are sold in the domestic markets. It is promoted by Mr Nilesh Sharma, who has over a decade of experience in the same line of business

Directors of QVC Exports Private Limited are Ms. Madhu Sharma, Mr. Nilesh Kumar Sharma, Mr. Santosh Kumar Das, Mr. Esanoo Kanjilal, Mr. Pramod Kumar Choudhari, and Mr. Abhiraj Kumar.

About the Group

QVC International Private Limited was incorporated in the year 2007 by Mr. Sumit Kumar and family. Later, in 2010, the company was taken over by the current management, Mr. Nilesh Kumar Sharma and family. The company is engaged in trading of manganese ore and Ferroalloys. The company has its registered office at Kolkata, district of West Bengal. The directors are Mr. Nilesh Kumar Sharma and Mr. Rajendra Sharma Kumar.

Unsupported Rating

Not Applicable

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 the due date. Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an 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 has 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.

Liquidity Position

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

Outlook: Not Applicable**Other Factors affecting Rating**

None

Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	243.28	146.11
PAT	Rs. Cr.	2.80	1.00
PAT Margin	(%)	1.15	0.68
Total Debt/Tangible Net Worth	Times	1.07	0.94
PBDIT/Interest	Times	2.54	2.36

Status of non-cooperation with previous CRA

Not Applicable

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>
- Trading Entitie: <https://www.acuite.in/view-rating-criteria-61.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
04 May 2023	Cash Credit	Long Term	2.00	ACUITE BB- Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	3.55	ACUITE BB- Stable (Reaffirmed)
	PC/PCFC	Short Term	12.00	ACUITE A4+ (Reaffirmed)
	Proposed Long Term Loan	Long Term	2.81	ACUITE BB- Stable (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	1.89	ACUITE A4+ (Reaffirmed)
	Bills Discounting	Short Term	9.75	ACUITE A4+ (Reaffirmed)
	Letter of Credit	Short Term	8.00	ACUITE A4+ (Reaffirmed)
03 Feb 2022	Covid Emergency Line.	Long Term	3.55	ACUITE BB- Stable (Downgraded from ACUITE BB)
	PC/PCFC	Short Term	12.00	ACUITE A4+ (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	1.89	ACUITE A4+ (Reaffirmed)
	Proposed Long Term Loan	Long Term	2.81	ACUITE BB- Stable (Downgraded from ACUITE BB)
	Letter of Credit	Short Term	8.00	ACUITE A4+ (Reaffirmed)
	Bills Discounting	Short Term	9.75	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	2.00	ACUITE BB- Stable (Downgraded from ACUITE BB)
04 Jan 2021	Bills Discounting	Short Term	9.75	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	2.00	ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+ Stable)
	Letter of Credit	Short Term	8.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	PC/PCFC	Short Term	12.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Proposed Short Term Loan	Short Term	4.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	4.25	ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+ Stable)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
State Bank of India	Not avl. / Not appl.	Bills Discounting	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	9.75	ACUITE A4 Downgraded Issuer not co-operating* (from ACUITE A4+)
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	2.00	ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-)
State Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	3.55	ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-)
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	8.00	ACUITE A4 Downgraded Issuer not co-operating* (from ACUITE A4+)
State Bank of India	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	12.00	ACUITE A4 Downgraded Issuer not co-operating* (from ACUITE A4+)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	2.81	ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-)
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.89	ACUITE A4 Downgraded Issuer not co-operating* (from ACUITE A4+)

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr.No.	Company Name
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1	QVC EXPORTS LIMITED (ERSTWHILE QVC EXPORTS PRIVATE LIMITED)
2	QVC INTERNATIONAL PRIVATE LIMITED

Contacts

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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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