April 11, 2017

Usha Shriram Enterprises Private Limited

Instrument^	Amount (in crore)	Amount Outstanding as on March 31, 2016 (in crore)	Rating Action*
Cash Credit	21.00	N/A	[ICRA]BB (Stable); reaffirmed
Bill Discounting	10.00	N/A	[ICRA]A4+; reaffirmed
Bank Guarantee	0.20	N/A	[ICRA]A4+; reaffirmed
Letter of Credit	8.00	N/A	[ICRA]A4; reaffirmed
Packing Credit	1.00	N/A	[ICRA]A4+; reaffirmed
Unallocated	0.80	N/A	[ICRA]BB (Stable), [ICRA]A4+; reaffirmed

*** Issuer did not co-operate; based on best available information.**
^Instrument Details captured under Annexure-1

Rating Action: ICRA has reaffirmed its long term rating at [ICRA]BB (pronounced ICRA double B) and short term rating at [ICRA]A4+ (pronounced ICRA A four plus) for the Rs 41.0 crore[1] facilities of Usha Shriram Enterprises Private Limited (USEPL)[2]. The outlook on the long term rating is stable.

The rating action is based on USEPL's established track record and significant experience of its promoters in marketing and distribution of consumer durables, established brand image of *USHA* with a diverse product offering and the company's nationwide dealer distribution network. The ratings are however constrained by the high competitive intensity in the industry, with low entry barriers resulting in limited pricing flexibility. The operating margins also remain vulnerable to raw material price increases and high bargaining power of major dealers and suppliers. As part of its process and in accordance with its rating agreement with VIL, ICRA has been trying to seek information from the company so as to undertake a surveillance of the ratings, but despite repeated requests by ICRA, the company's management has remained non-cooperative. ICRA's Rating Committee has taken a rating view based on best available information. In line with SEBI's Circular No. *SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016*, the company's rating is now denoted as: **"[ICRA] BB(Stable)/A4+ ISSUER NOT COOPERATING"**. The lenders, investors and other market participants may exercise appropriate caution while using this rating, given that it is based on limited or no updated information on the company's performance since the time it was last rated.

Analytical approach: Not Applicable

Links to applicable Criteria
[**Corporate Credit Ratings: A Note on Methodology**]

[1] 100 lakh = 1 crore = 10 million
[2] For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications.

About the Company: USEPL was incorporated in 1983 by Late Dr. Charat Ram and Late Mr. N.R.Dongre. USEPL markets varied consumer appliances; including Eurolex Home appliances, Eurolex Lighting Products, Eurolex Electronic and Electrical appliances, Eurocook Kitchen Appliances, household and office furniture and water purification systems.

Rating History for last three years (Rated for last two years):

S.No	Name of Instrument	Current Rating			Chronology of Rating History for the past 3 years	
		Type (long term/ Short term)	Rated amount (Rs. crore)	Month-year & Rating	Month- year & Rating in FY2016	Month- year & Rating in FY2014
				April 2017	October 2015	March 2014
1	Cash Credit	LT	21.00	[ICRA]BB(Stable)	[ICRA]BB(Stable)	[ICRA]BB-(Stable)
2	Bill Discounting	ST	10.00	[ICRA]A4+	[ICRA]A4+	[ICRA]A4
3	Bank Guarantee	ST	0.20	[ICRA]A4+	[ICRA]A4+	[ICRA]A4
4	Letter of Credit	ST	8.00	[ICRA]A4+	[ICRA]A4+	[ICRA]A4
5	Packing Credit	ST	1.00	[ICRA]A4+	[ICRA]A4+	[ICRA]A4
6	Unallocated	LT/ST	0.80	[ICRA]BB(Stable)/A4+	[ICRA]BB(Stable)/A4+	[ICRA]BB-(Stable)/A4

Note on complexity levels of the rated instrument:
ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

***Annexure-1**

Details of Instrument

Name of the instrument	Date of issuance	Coupon rate	Maturity Date	Size of the issue	Current Rating and Outlook
Cash Credit	NA	NA	N/A	21.00	[ICRA]BB(Stable)
Bill Discounting	NA	NA	NA	10.00	[ICRA]A4+
Bank Guarantee	NA	NA	NA	0.20	[ICRA]A4+
Letter of Credit	NA	NA	NA	8.00	[ICRA]A4+
Packing Credit	NA	NA	NA	1.00	[ICRA]A4+
Unallocated	NA	NA	NA	0.80	[ICRA]BB(Stable)/A4+

Source: Usha Shriram Enterprises Private Limited

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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