

October 29, 2024

P. D. Shah and Sons: Continues to remain under issuer non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	14.80	14.80	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term / Short Term-Unallocated	10.20	10.20	[ICRA]B+(Stable); ISSUER NOT COOPERATING/[ICRA]A4; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Total	25.00	25.00	

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-I

Rationale

ICRA has kept the Long-Term and Short-Term ratings of P. D. Shah and Sons in the 'Issuer Not Cooperating' category. The ratings are denoted as "[ICRA]B+(Stable); ISSUER NOT COOPERATING/[ICRA]A4; ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with P. D. Shah and Sons, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

The Group is entirely run by the close-knit Shah family based out of Pune, Maharashtra. The Shah family Group trades in fast moving consumer goods (FMCG) products like farchan, agarbatti (incense sticks), Society Tea, khari, etc., distribution of dairy products for the companies like Warana Dairy, Amul, Gowardhan, Nutralite, Microlite, trading of frozen food products like green peas and strawberry, distribution of FMCG products like cosmetics, detergents and food products for Hindustan Unilever Ltd, cold storage services ranging from automated blast freezing and sortation, packaging, chilled and frozen storage, cross-dock order picking, value-added logistic services, consolidation and import/export management programs and partner-dedicated tailored facilities.

The proprietor of the Group, Mr. Ashok Popatlal Shah, started the business of mix-farchan, agarbatti, Society Tea, khari, Vadilal Ice-Cream one by one in Pimpri Chinchwad and Pune, and then started the distribution of dairy products for companies Warana

Dairy, Amul, Gowardhan, Nutralite, Microlite for products such as ghee, cheese, butter, cheese spread, shrikhand, milk powder, chocolate, dahi, unsalted butter. The Group also has a trading business of frozen green peas and strawberry. It also has distribution for Hindustan Unilever Ltd. in cosmetics, detergent and food products. Moreover, the Group offers skimmed milk powder, buffalo skimmed milk powder and buffalo yellow butter.

Key financial indicators:

Standalone	FY 2021 (Rs. In Crore)	FY 2022 (Rs. In Crore)
Operating Income (Rs. crore)	114.35	133.63
PAT (Rs. crore)	0.33	0.44
OPBDITA/OI (%)	3.0%	2.7%
PAT/OI (%)	0.3%	0.3%
Total Outside Liabilities/Tangible Net Worth (times)	3.68	3.52
Total Debt/OPBDITA (times)	10.34	9.52
Interest Coverage (times)	1.20	1.24

PAT: Profit after Tax; OPBDITA: Operating Profit before Depreciation, Interest, Taxes and Amortization

Source: MCA

Status of non-cooperation with previous CRA:

CRA	Status	Date of Release
CRISIL	[CRISIL]B (Stable)/[CRISIL]A4; ISSUER NOT COOPERATING	August 30, 2024
India Rating	[IND]BB-(Stable)/[IND]A4+; ISSUER NOT COOPERATING	July 14, 2024

Any other information: None

Rating history for past three years

Instrument	Type	Amount Rated (Rs. Crore)	Current Rating (FY2025)		Chronology of Rating History for the past 3 years		
			Date & Rating in	Date & Rating in	Date & Rating in	Date & Rating in	
							29-Oct-2024
1 Cash Credit	Long Term	14.80	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]BB (Stable)	
2 Unallocated	Long Term/ Short Term	10.20	[ICRA]B+(Stable); ISSUER NOT COOPERATING/ [ICRA]A4; ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING/ [ICRA]A4; ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING/ [ICRA]A4; ISSUER NOT COOPERATING	[ICRA]BB(Stable)/ [ICRA]A4	

Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple
Unallocated	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	14.80	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Unallocated	-	-	-	10.20	[ICRA]B+(Stable); ISSUER NOT COOPERATING/[ICRA]A4; ISSUER NOT COOPERATING

Source: P. D. Shah and Sons

Annexure-II: List of entities considered for consolidated analysis: Not Applicable

ANALYST CONTACTS

Shamsher Dewan
+91 12 4454 5300
shamsherd@icraindia.com

Subhechha Banerjee
+91 33 7150 1130
subhechha.banerjee@icraindia.com

Sweety Shaw
+91-033 7150 1180
sweety.shaw@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91-022-61693300
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

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For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



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