

August 31, 2023

Shell Apparels Private Limited: 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	15.00	15.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
Long Term- Fund Based-Term Loan	8.14	8.14	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
Long Term-Non Fund Based	2.01	2.01	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
Total	25.15	25.15	

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

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has retained the Long-term ratings of Shell Apparels Private Limited in the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]B+ (Stable); ISSUER NOT COOPERATING".

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. but despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis best available/dated/ limited information on the issuers' performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity. The rating action has been taken in accordance with ICRA's policy in respect of non-cooperation by a rated entity available at www.icra.in.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities, Key Financial Indicator: [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 Rating Methodology-Textiles (Apparels)
Parent/Group Support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Shell Apparels Private Limited (“SAPL” / “the Company”) headquartered in Bangalore is primarily engaged into manufacturing of knitted garments. Promoted by Mr. Vasuki in the year 1988 as Shell Sands – a proprietorship firm, Shell Sands was initially engaged into manufacturing of shell moldings catering to industrial and engineering companies like Bharat Heavy Electricals Ltd. etc for shell mold castings. However, in 1994 with an objective of foraying into garment industry the promoters changed the name of the firm to Shell Apparels – in line with the nature of business and started stitching on job works basis. As per management, the Company was one of the first few garment manufacturing units selected by M/s Arvind Mills Limited for stitching of Denim Jeans for its popular brands Flying Machine and New Port University. With growing experience and track record with Arvind, the Company added new customers and in turn brought numerous brands like Ruggers, Wranglers, Excaliber, Arrow, Lee etc (on job work basis) under its portfolio. With increasing volume of orders, a new company Shell Apparels Private Limited was incorporated in 2003 and the Company started taking complete manufacturing orders (on fob basis) in order to further enhance credentials as a reliable garment manufacturing company rather than just a convertor (job worker) aiding its revenue growth over last several years.

Status of non-cooperation with previous CRA:

CRA	Status	Date of Release
India Rating	[IND]BB+/A4+ ISSUER NOT COOPERATING	July 13, 2021

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2024)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. Crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2020	
					31-August-2023	17-June-2022	23-April-2021	28-January-2020	
1	Cash Credit	Long Term	15.00	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	
2	Term Loan	Long Term	8.14	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	
3	Non Fund Based	Long Term	2.01	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	

Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple
Term Loan	Simple
Non Fund Based	Very Simple

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-1: 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	-	-	-	15.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Term Loan	-	-	-	8.14	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Non Fund Based	-	-	-	2.01	[ICRA]B+ (Stable); ISSUER NOT COOPERATING

Source: Shell Apparels Private Limited

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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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.

For more information, visit www.icra.in

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