

October 25, 2024

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-Others	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-I

Rationale

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

As part of its process and in accordance with its rating agreement with Shell Apparels Private Limited, 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, Key financial indicators: [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	NA
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+(Stable)/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	FY2024		FY2023		FY2022		
			25-Oct-2024	Date	Rating	Date	Rating	Date	Rating	
1 Fund Based-Cash Credit	Long Term	15.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	31-Aug-23	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	17-Jun-22	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	23-Apr-21	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	
2 Fund Based-Term Loan	Long Term	8.14	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	31-Aug-23	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	17-Jun-22	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	23-Apr-21	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	
3 Non Fund Based- Others	Long Term	2.01	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	31-Aug-23	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	17-Jun-22	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	23-Apr-21	[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-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	-	-	-	15.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Term Loan	-	-	-	8.14	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Non Fund Based-Others	-	-	-	2.01	[ICRA]B+(Stable); ISSUER NOT COOPERATING

Source: Shell Apparels Private Limited

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

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