

January 21, 2020

Bhadohi Carpets: Continues to remain under Non-Cooperating category, Long Term Rating downgraded based on best available information

Summary of rated instruments:

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term - Fund Based/ CC	11.50	11.50	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB(Stable) and continues to remain under the 'Issuer Not Cooperating' category;
Total	11.50	11.50	

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

Rationale

The Long-Term rating downgrade is because of lack of adequate information Bhadohi Carpets's performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by the rated entity". The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Bhadohi Carpets, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA's Rating Committee has taken a rating view based on the best available information.

The previous detailed rating rationale is available on the following link: [Click here](#)

About the company:

Bhadohi Carpets, a partnership firm promoted by Mr. Pankaj Kumar Baranwal, Ms. Madhu Baranwal and Mr. Priyam Baranwal, was established in March 2012 after the partition of Rupesh Kumar & Brothers into the firms Bhadohi Carpets and Rupesh Kumar & Sons. The firm is engaged in the manufacturing and export of carpets and druggets. It has a production capacity of around 90,000 square meters across several production centers in the Bhadohi-Mirzapur belt in Uttar Pradesh. The firm sells its products to retail stores or chains in the international markets.

Status of non-cooperation with previous CRA

As per CRISIL's press release dated July 04, 2019, Bhadohi Carpets's ratings of CRISIL B+/Stable for its Rs. 12.05-crore bank facilities. Ratings continues under issuer not cooperating category, based on best available Information.

Any other information

Not applicable

Key financial Indicators (audited)

	FY2017	FY2018	FY2019
Operating Income (Rs. crore)	0.09	0.06	0.06
PAT (Rs. crore)	0.00	0.00	0.01
OPBDIT/OI (%)	-22.22%	-33.33%	-33.33%
RoCE (%)	0.00%	0.00%	2.34%
Total Outside Liabilities/Tangible Net Worth (times)	0.37	0.37	0.39
Total Debt/OPBDIT (times)	-5.93	-5.93	-5.93
Interest Coverage (times)	-	-	-
DSCR	-	-	-

Source: Ace Equity

Rating history for past three years

All figures in Rs. Crore

	Instrument	Current Rating (FY2020)				Rating History for the Past 3 Years		
		Type	Amount Rated	Amount Outstanding	Rating	FY2019	FY2018	FY2017
					21-Jan-2020	30-Oct-2018	11-Jul-2017	-
1	Cash Credit	Long-term	11.50	-	[ICRA]B+ (Stable) ISSUER NOT COOPERATING	[ICRA]BB (Stable) ISSUER NOT COOPERATING	[ICRA]BB (Stable)	-

Complexity level 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 Instrument Details

ISIN No	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long Term - Fund Based/ CC	-	-	-	11.50	[ICRA]B+ (Stable); ISSUER NOT COOPERATING <i>Source: Bhadohi Carpets</i>

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About ICRA Limited:

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