

## Varsha Leathers Private Limited

August 09, 2024

| Facilities/Instruments     | Amount (₹ crore) | Rating <sup>1</sup>                      | Rating Action  |
|----------------------------|------------------|--|--|
| Long Term Bank Facilities  | 1.70             | CARE B-; Stable; ISSUER NOT COOPERATING* | Rating continues to remain under ISSUER NOT COOPERATING category |
| Short Term Bank Facilities | 3.90             | CARE A4; ISSUER NOT COOPERATING*         | Rating continues to remain under ISSUER NOT COOPERATING category |

Details of instruments/facilities in Annexure-1

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

### Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated June 07, 2023, placed the rating(s) of Varsha Leathers Private Limited (VLPL) under the 'issuer non-cooperating' category as VLPL had failed to provide information for monitoring of the rating. VLPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated April 22, 2024, May 02, 2024, May 12, 2024.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of the key rating drivers:

Please refer to PR dated [June 07, 2023](#)

### Applicable criteria

[CARE Ratings' criteria on information adequacy risk and issuer non-cooperation](#)

[Policy on default recognition](#)

[Criteria on Assigning 'Outlook' or 'Rating Watch' to Credit Ratings](#)

### About the company

West Bengal based Varsha Leathers Private Limited (VLPL) incorporated in December 2005, was promoted by Mr. Arvind Kr. Khemka and Mrs. Vinita Khemka. Since its inception, VLPL has been engaged in processing of leather and manufacturing of leather products like Men's wallet, ladies wallet, handbag, leather key ring, purses, key chains, cosmetic tray etc. The manufacturing facility of the company is located at Kolkata, West Bengal. The company sells its products in the international market. The major export destination of the company is various European countries like Italy, Greece, Poland, Austria, Germany, Switzerland also to Singapore. Mr. Arvind Kr. Khemka (aged about 51 years), having almost two decades of experience in this line of business, looks after the day to day operations of the company. He is supported by other promoter Mrs. Vinita Khemka along with a team of experienced professional.

| Brief Financials (Rs. crore) | March 31, 2022 (A) | March 31, 2023 (A) |
|------------------------------|--------------------|--------------------|
| Total operating income       | 7.98               | 10.27              |
| PBILDT                       | 0.75               | 0.83               |
| PAT                          | 0.21               | 0.25               |
| Overall gearing (times)      | 1.37               | 1.12               |
| Interest coverage (times)    | 2.22               | 2.28               |

A: Audited; Note: 'the above results are latest financial results available'

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Please refer Annexure-2

**Covenants of rated instrument / facility:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various instruments rated:** Annexure-4

**Lender details:** Annexure-5

#### Annexure-1: Details of instruments/facilities

| Name of the Instrument                   | ISIN | Date of Issuance (DD-MM-YYYY) | Coupon Rate (%) | Maturity Date (DD-MM-YYYY) | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|--|------|-------------------------------|-----------------|----------------------------|-----------------------------|---|
| Fund-based - LT-Term Loan                |      | -                             | -               | March 2028                 | 1.70                        | CARE B-; Stable; ISSUER NOT COOPERATING*  |
| Fund-based - ST-EPC/PSC                  |      | -                             | -               | -                          | 0.90                        | CARE A4; ISSUER NOT COOPERATING*          |
| Fund-based - ST-Foreign Bill Discounting |      | -                             | -               | -                          | 3.00                        | CARE A4; ISSUER NOT COOPERATING*          |

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

#### Annexure-2: Rating history for the last three years

| Sr. No. | Name of the Instrument/ Bank Facilities  | Current Ratings |                              |  | Rating History                              |  |  |   |
|---------|--|-----------------|------------------------------|--|---|--|--|---|
|         |  | Type            | Amount Outstanding (₹ crore) | Rating                                   | Date(s) and Rating(s) assigned in 2024-2025 | Date(s) and Rating(s) assigned in 2023-2024            | Date(s) and Rating(s) assigned in 2022-2023            | Date(s) and Rating(s) assigned in 2021-2022 |
| 1       | Fund-based - LT-Term Loan                | LT              | 1.70                         | CARE B-; Stable; ISSUER NOT COOPERATING* | -   | 1)CARE B-; Stable; ISSUER NOT COOPERATING* (07-Jun-23) | 1)CARE B-; Stable; ISSUER NOT COOPERATING* (10-May-22) | -   |
| 2       | Fund-based - ST-Foreign Bill Discounting | ST              | 3.00                         | CARE A4; ISSUER NOT COOPERATING*         | -   | 1)CARE A4; ISSUER NOT COOPERATING* (07-Jun-23)         | 1)CARE A4; ISSUER NOT COOPERATING* (10-May-22)         | -   |
| 3       | Fund-based - ST-EPC/PSC                  | ST              | 0.90                         | CARE A4; ISSUER NOT COOPERATING*         | -   | 1)CARE A4; ISSUER NOT COOPERATING* (07-Jun-23)         | 1)CARE A4; ISSUER NOT COOPERATING* (10-May-22)         | -   |

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

LT: Long term; ST: Short term;

**Annexure-3: Detailed explanation of covenants of the rated instruments/facilities:** Not applicable

**Annexure-4: Complexity level of the various instruments rated**

| Sr. No. | Name of the Instrument                   | Complexity Level |
|---------|--|------------------|
| 1       | Fund-based - LT-Term Loan                | Simple           |
| 2       | Fund-based - ST-EPC/PSC                  | Simple           |
| 3       | Fund-based - ST-Foreign Bill Discounting | Simple           |

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on the complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for any clarifications.

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### About us:

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