Press Release

Giriraj Cotex Ginning & Pressing (GCGP)

October 13, 2018

Rating Update

Total Bank Facilities Rated*	Rs. 8.00 Cr.#
Long Term Rating	ACUITE B Issuer not co-operating*
Short Term Rating	ACUITE A4 Issuer not co-operating*

#Refer Annexure for details
**The issuer did not co-operate; based on best available information.*

Rating Rationale

Acuité has reviewed the long-term rating of **'ACUITE B' (read as ACUITE B)** and short term rating of **'ACUITE A4' (read as ACUITE A four)** on the Rs. 8.00 crore bank facilities of Giriraj Cotex Ginning & Pressing (GCGP). This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower:

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition -https://www.acuite.in/view-rating-criteria-17.htm
- Manufacturing Entities -https://www.acuite.in/view-rating-criteria-4.htm
- Financial Ratios and Adjustments: https://www.acuite.in/view-rating-criteria-20.htm

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity:

Established in 2014, GCGP is a partnership firm promoted by Mr. Rajesh M Vyas and family, based out of Wardha, Maharashtra. The firm is engaged in manufacturing of cotton bales and cotton seeds. It launched commercial operations in October, 2015. The factory unit is located in proximity of cotton growing areas in Wardha and has the capacity to manufacture 240 cotton bales per day. The present partners of the firm are Mr. Vinod Kumar M Vyas, Mr. Gaurav R Vyas, Mr. Madhav R Vyas, Mr. Rajesh M Vyas and Mr. Shubham V Vyas.

For FY2015-16, GCGP reported profit after tax (PAT) of Rs.0.14 crore on operating income of Rs.12.34 crore. The net worth (including quasi) stood at Rs.3.33 crore as on 31 March, 2016 as compared to Rs.2.30 crore as on 31 March, 2015.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
26-Sep-17	Cash Credit	Long term	1.50	ACUITE B Issuer not co-operating*
	Term Loan	Long term	3.60	ACUITE B Issuer not co-operating*
	Cash Credit (Proposed)	Long term	1.50	ACUITE B Issuer not co-operating*
	Facilities (Proposed)	Short Term	1.40	ACUITE A4 Issuer not co-operating*
25-May-16	Cash Credit	Long term	1.50	ACUITE B/Stable (Assigned)
	Term Loan	Long term	3.60	ACUITE B/Stable (Assigned)
	Cash Credit (Proposed)	Long term	1.50	ACUITE B/Stable (Assigned)
	Facilities (Proposed)	Short Term	1.40	ACUITE A4 (Assigned)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	1.50	ACUITE B Issuer not co-operating*
Term loan	Not Applicable	Not Applicable	Not Applicable	3.60	ACUITE B Issuer not co-operating*
Cash Credit (Proposed)	Not Applicable	Not Applicable	Not Applicable	1.50	ACUITE B Issuer not co-operating*
Facilities (Proposed)	Not Applicable	Not Applicable	Not Applicable	1.40	ACUITE A4 Issuer not co-operating*

**The issuer did not co-operate; based on best available information.*

Contacts

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About Acuité Ratings & Research:
Acuité Ratings & Research Limited *(Erstwhile SMERA Ratings Limited)* is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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