

Press Release

Bhavani Cotton Industries

November 15, 2017

Rating Update



Total Bank Facilities Rated*	Rs.10.50 Cr. #
Long Term Rating	SMERA B+ Issuer not co-operating*

Refer Annexure for details

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

SMERA has reviewed long-term rating of '**SMERA B+**' (read as **SMERA B plus**) on the Rs. 10.50 crore bank facilities of Bhavani Cotton Industries (BCI). This is an indicative rating.

Non-cooperation by the issuer/borrower

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

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

Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Manufacturing entities - <https://www.smera.in/criteria-manufacturing.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). SMERA endeavoured to gather information about the entity/industry from the public domain. Therefore, SMERA cautions lenders and investors regarding the use of such information on which the indicative credit rating is based.

About the rated entity

BCI, established in 2014, is an Andhra Pradesh-based partnership firm engaged in the ginning and pressing of cotton. The firm is headed by Mr. N. Suresh, who has extensive experience in the cotton industry. The installed capacity stands at 26 Gins.

The firm registered loss of Rs.0.36 crore on operating income of Rs.5.25 crore in FY2014-15. The net worth stood at Rs. 1.72 crore as on 31 March 2015.

Rating history (last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
18 -Oct-2016	Working Capital term loan	Long Term	6.00	SMERA B+ / Stable (Assigned)
	Term loan	Long Term	3.89	SMERA B+ / Stable (Assigned)

	Proposed Cash credit	Long Term	0.61	SMERA B+ / Stable (Assigned)
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#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Working Capital term loan	Not Applicable	Not Applicable	Not Applicable	6.00	SMERA B+ Issuer not co-operating*
Term loan	Not Applicable	Not Applicable	Not Applicable	3.89	SMERA B+ Issuer not co-operating*
Proposed Cash credit	Not Applicable	Not Applicable	Not Applicable	0.61	SMERA B+ Issuer not co-operating*

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

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ABOUT SMERA

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