

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.smerra.in/criteria-default.htm>
- Manufacturing entities - <https://www.smerra.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)
--	----------------------	-----------	------	------------------------------

#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

Contacts

Analytical	Rating Desk
Vinayak Nayak Head – Ratings Operations Tel: 022-67141190 vinayak.nayak@smera.in	Varsha Bist Manager - Rating Desk Tel: 022-67141160 varsha.bist@smera.in
Leena Gupta Analyst - Rating Operations Tel: 022-67141172 leena.gupta@smera.in	.

ABOUT SMERA

SMERA Ratings Limited is a joint initiative of SIDBI, D&B and leading public and private sector banks in India. SMERA is registered with SEBI, accredited by RBI as an External Credit Assessment Institution (ECAI), under BASEL-II norms for undertaking Bank Loan Ratings. SMERA Bond Ratings is a division of SMERA Ratings Limited responsible for ratings of bank facilities and capital market/money market debt instruments such as Bonds, Debentures, Commercial Papers, Fixed Deposits, Certificate of Deposits, etc. For more details, please visit www.smera.in.

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.