

## Press Release

### SHREEKRISHNA COTTON COMPANY

April 02, 2019



### Rating Update

<b>Total Bank Facilities Rated*</b>	Rs. 8.43 Cr. #
<b>Long Term Rating</b>	ACUITE B+ Issuer not co-operating*
<b>Short Term Rating</b>	ACUITE A4 Issuer not co-operating*

# Refer Annexure for details

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

Acuité has reviewed long-term rating of '**ACUITE B+** (read as **ACUITE B plus**) and short term rating of '**ACUITE A4** (read as '**ACUITE A four**') on the Rs. 8.43 crore bank facilities of SHREEKRISHNA COTTON COMPANY (SKCC). This rating is now an indicative rating and is based on best available information.

SKCC is a Nagpur-based partnership firm established in 2013 by Mr. Narendra Chandak and Mr. Jaiprakash Chandak. The firm started off trading in cotton bales, seeds, oil & cotton cake initially and subsequently, commenced manufacturing of the above at Saoner Malegaon in Nagpur (Maharashtra) from FY2017.

#### 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/criteria-default.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.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 - Key Financials

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	56.97	11.88	20.24
EBITDA	Rs. Cr.	1.00	0.04	0.03
PAT	Rs. Cr.	0.03	0.03	0.03
EBITDA Margin	(%)	1.76	0.32	0.15
PAT Margin	(%)	0.06	0.25	0.15
ROCE (%)	(%)	5.93	3.74	9.16
Total Debt/Tangible Net Worth	Times	4.19	0.47	0.00
PBDIT/Interest	Times	2.99	5.10	41.71
Total Debt/PBDIT	Times	8.72	13.16	0.00
Gross Current Assets (Days)	Days	82	162	79

**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
29-Jan-2018	Term Loan	Long Term	3.75	ACUITE B+ / Stable (Assigned)
	Cash Credit	Long Term	3.70	ACUITE B+ / Stable (Assigned)
	Bank Guarantee	Short Term	0.07	ACUITE A4 (Assigned)
	Proposed Bank Facility	Long Term	0.91	ACUITE 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
Term loans	Not Applicable	Not Applicable	Not Applicable	3.75	ACUITE B+ Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	3.70	ACUITE B+ Issuer not co-operating*
Bank guarantee	Not Applicable	Not Applicable	Not Applicable	0.07	ACUITE A4 Issuer not co-operating*
Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	0.91	ACUITE B+ Issuer not co-operating*

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

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**About Acuité Ratings & Research:**

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