

Press Release

Sharwin Cottex

September 07, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	28.36	ACUITE D Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	28.36	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating at '**ACUITE D (read as ACUITE D)**' on the Rs.28.36 crore bank facilities of Sharwin Cottex (SC). This rating is now an indicative rating and based on the best available information.

About the Company

Sharwin Cottex (SC) is a partnership firm established by Mr. Soham Pulin Purohit and Mrs. Manisha Pulin Purohit in 2016. The Gujarat-based firm is engaged in cotton ginning, extraction of cottonseed oil and cakes. SC has 36 double rollers and 12 extruders. The installed capacity stands at 24,192 MTPA for cottonseed crushing and 45,619 MTPA for raw cotton processing.

Non-cooperation by the issuer/borrower

Acuite 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. Acuite believes that information risk is a critical component in such ratings, and non - cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

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). Acuite endeavored to gather information about the entity/industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon.

Material Covenants

None.

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook

Not Applicable.

Key Financials

Particulars	Unit	FY 20 (Actual)	FY 19 (Actual)
Operating Income	Rs. Cr.	249.80	193.30
PAT	Rs. Cr.	0.12	0.04
PAT Margin	(%)	0.05	0.02
Total Debt/Tangible Net Worth	Times	1.37	1.13
PBDIT/Interest	Times	1.51	1.86

Status of non-cooperation with previous CRA

Sharwin Cottex captioned as Issuer not cooperating by CARE from past few years and on August 10, 2022, it has stated as CARE D.

Any other information

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

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Trading Entity: <https://www.acuite.in/view-rating-criteria-61.htm>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
22 Jun 2021	Term Loan	Long Term	2.36	ACUITE D (Downgraded from ACUITE BB- Stable)
	Working Capital Term Loan	Long Term	1.00	ACUITE D (Downgraded from ACUITE BB- Stable)
	Cash Credit	Long Term	25.00	ACUITE D (Downgraded from ACUITE BB- Stable)
21 Sep 2020	Cash Credit	Long Term	25.00	ACUITE BB- Stable (Reaffirmed)
	Term Loan	Long Term	2.36	ACUITE BB- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	1.00	ACUITE BB- Stable (Assigned)
28 Jun 2019	Term Loan	Long Term	3.36	ACUITE BB- Stable (Reaffirmed)
	Cash Credit	Long Term	18.00	ACUITE BB- Stable (Reaffirmed)
07 May 2018	Cash Credit	Long Term	10.00	ACUITE BB- Stable (Assigned)
	Term Loan	Long Term	3.86	ACUITE BB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Union Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	25.00	ACUITE D Reaffirmed Issuer not co-operating*
Union Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	2.36	ACUITE D Reaffirmed Issuer not co-operating*
Union Bank of India	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	1.00	ACUITE D Reaffirmed Issuer not co-operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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