

Press Release

Shree Chakra Organics Private Limited

July 25, 2019



Rating Withdrawn

Total Bank Facilities Rated*	Rs. 7.00 Cr.
Long Term Rating	ACUITE BBB- (Withdrawn)
Short Term Rating	ACUITE A3 (Withdrawn)

* Refer Annexure for details

Rating Rationale

Acuité has reviewed and withdrawn long-term rating of '**ACUITE BBB-**' (**read as ACUITE triple B minus**) **and** short term rating of '**ACUITE A3**' (**read as ACUITE A three**) on the Rs. 7.00 crore bank facilities of SHREE CHAKRA ORGANICS PRIVATE LIMITED (SCPL). The rating withdrawal is in accordance with the Acuité's 'policy on withdrawal of rating'.

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

Incorporated in 1988 and part of Astik Group, Shree Chakra Organics Private Limited is a Mumbai based company promoted by Mrs. M C Karkera, Mrs. T R Ajekar, Mr. S B Shetty and Mr. V. C Karkera. The company manufactures reactive dyes used in the textile industry. The dyes are marketed under the brand name 'Meactive' and 'Mohizol'.

Analytical Approach

Acuite has considered the consolidated business and financial risk profiles of Astik Dyestuff Private Limited (ADPL) and Shree Chakra Organics Private Limited (SCPL), hereafter referred to as Astik Group. The consolidation is due to the common promoters, common brand name and financial synergies.

About the Rated Entity - Key Financials

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	85.78	75.87	70.99
EBITDA	Rs. Cr.	8.97	8.41	7.73
PAT	Rs. Cr.	4.62	3.89	3.56
EBITDA Margin	(%)	10.46	11.08	10.89
PAT Margin	(%)	5.38	5.12	5.01
ROCE	(%)	20.44	24.04	48.15
Total Debt/Tangible Net Worth	Times	0.54	0.32	0.45
PBDIT/Interest	Times	6.38	6.30	4.37
Total Debt/PBDIT	Times	1.72	0.90	1.15
Gross Current Assets (Days)	Days	208	173	175

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>
- Consolidation of Companies -<https://www.acuite.in/view-rating-criteria-22.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
May 22, 2018	Cash Credit	Long Term	5.00	ACUITE BBB-/Sable (Assigned)
	Letter of Credit	Short term	2.00	ACUITE A3 (Assigned)

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE BBB- (Withdrawn)
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE A3 (Withdrawn)

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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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