

## Press Release

### Shyam Cotton Trading Company

March 14, 2023

### Rating Withdrawn



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	9.50	Not Applicable   Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	9.50	-	-

### Rating Rationale

Acuite has withdrawn its rating on the Rs.9.50 Cr bank facilities of Shyam Cotton Trading Company (SCTC). The rating has been withdrawn on account of the request received from the company and the NOC received from the banker as per Acuite policy on withdrawal of ratings.

### About Company

Shyam Cotton Trading Company (SCTC) is a proprietorship concern, established in 2003 by Ms. Manju Khetan. SCTC is based in Hyderabad (Telangana) engaged in trading of cotton.

### About the Group

#### Sri Salasar Balaji Textiles Private Limited

Incorporated in November 2017, Sri Salasar Balaji Textiles Private Limited (SSBTPL) is engaged in manufacturing of cotton yarn. Mr.Dhiraj Kumar Khetan is the promoter of the company. The plant is located in Adilabad, Telangana with an installed capacity of 48,000 spindles. SSBTPL started commercial operations July, 2019.

#### Sri Salasar Balaji Agrotech Private Limited

Incorporated in 2003, Sri Salasar Balaji Agro Tech Private Limited (SSBATPL) is a Hyderabadbased company engaged in the business of FP Bales (full pressed bales) and cotton yarn. Mr. Dhiraj Kumar Khetan and his family members are the promoters of the company.

### Analytical Approach

#### Extent of Consolidation

- Full Consolidation

#### Rationale for Consolidation or Parent / Group / Govt. Support

Not Applicable

### Key Rating Drivers

**Strengths**

Not Applicable

**Weaknesses**

Not Applicable

**Rating Sensitivities**

Not Applicable.

**Material Covenants**

None.

**Liquidity Position**

Not Applicable

**Outlook:**

Not Applicable

**Other Factors affecting Rating**

None

**Key Financials**

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	1300.33	723.70
PAT	Rs. Cr.	11.01	5.77
PAT Margin	(%)	0.85	0.80
Total Debt/Tangible Net Worth	Times	1.87	2.26
PBDIT/Interest	Times	2.34	2.10

**Status of non-cooperation with previous CRA (if applicable)**

SCTC has not cooperated with CARE Ratings which has published its ratings as an issuer not co-operating vide release dated June 07, 2022. The reason provided by CARE Ratings was non-furnishing of information for monitoring of ratings.

**Any Other Information**

None.

**Applicable Criteria**

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.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**

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
24 Mar 2022	Cash Credit	Long Term	9.50	ACUITE BBB-   Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
DBS Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	9.50	Not Applicable   Withdrawn

## Contacts

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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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