

Press Release

Shubham Industries

September 12, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.00	ACUITE BB- Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	10.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long term rating at **"ACUITE BB-"**(read as **ACUITE double B minus**) on the Rs.10 Crore bank facilities of Shubham Industries. The rating is now indicative and is based on the best available information.

About the Company

Gujarat-based, SI was established as a partnership firm in 2005. The firm is engaged in processing of raw cotton to produce cotton bales and cottonseed oil. The firm is promoted by Mr. Ramesh Bhai Patel and his family members. The firm procures raw cotton of Shankar 6 variety from Gujarat, Maharashtra, Andhra Pradesh, Karnataka and Madhya Pradesh. Cotton bales are sold to spinning mills and exporters in Gujarat, Tamil Nadu and other states. Cotton oil is sold to refineries located in Gujarat.

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.

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 20 (Actual)	FY 19 (Actual)
Operating Income	Rs. Cr.	47.51	36.61
PAT	Rs. Cr.	0.30	0.26
PAT Margin	(%)	0.63	0.71
Total Debt/Tangible Net Worth	Times	0.56	1.31
PBDIT/Interest	Times	2.23	1.63

Status of non-cooperation with previous CRA

SHUBHAM INDUSTRIES mentioned as issuer not cooperating from CRISIL since July 25, 2017 with the rating of B(Stable). In addition to that the company has also mentioned as issuer not cooperating from IND-RA on March 01 ,2018 with the rating at BB-.

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>

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
25 Jun 2021	Cash Credit	Long Term	10.00	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
05 Aug 2020	Cash Credit	Long Term	10.00	ACUITE B+ Stable (Reaffirmed)
24 Jun 2019	Cash Credit	Long Term	10.00	ACUITE B+ Stable (Reaffirmed)
11 May 2018	Cash Credit	Long Term	10.00	ACUITE B+ Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Bank of Baroda	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE BB- Reaffirmed Issuer not co-operating*

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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