



Press Release

Universal Starch Chem Allied Limited (USCAL)

March 13, 2024

Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	54.87	IVR BB+ / Negative; ISSUER NOT COOPERATING* (IVR Double B Plus with Negative Outlook; ISSUER NOT COOPERATING*)	Rating downgraded, outlook revised to negative from stable and migrated to ISSUER NOT COOPERATING* category	Simple
Short Term Bank Facilities	15.40	IVR A4+; ISSUER NOT COOPERATING* (IVR A Four Plus: ISSUER NOT COOPERATING*)	Rating downgraded and migrated to ISSUER NOT COOPERATING* category	Simple
Total	Rs. 70.27	(Rupees Seventy Crore and Twenty-Seven Lakhs Only)		

**Issuer did not cooperate; based on best available information*

Details of Facilities are in Annexure 1

Detailed Rationale

The revision in the ratings assigned to the bank facilities of USCAL reflects lack of adequate information and the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as this rating may not adequately reflect the credit risk profile of the entity.



Press Release

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide mail communications dated February 13, 2024, February 14, 2024, February 26, 2024, March 04, 2024, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the complete requested information and fees for the surveillance exercise. Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to review the ratings based on the best available information. Accordingly, the long-term & Short-term ratings of the bank loan facilities aggregating to Rs.70.27 crore of (USCAL) shall be moved under the 'ISSUER NOT COOPERATING' category by Infomerics and the ratings will be at 'IVR BB+; ISSUER NOT COOPERATING' with Negative Outlook & IVR A4+; ISSUER NOT COOPERATING'; based on best available information.

Analytical Approach: Standalone

Applicable Criteria:

[Guidelines on what constitutes Non-Cooperation by Clients](#)

[Criteria of assigning Rating Outlook](#)

[Rating methodology for Manufacturing companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

About the company

Universal Starch Chem Allied Limited (USCAL), was incorporated in 1973 by Mr. Jitendrasinh Rawal and family. It is engaged in manufacturing maize starch at its facility located at Dhule, Maharashtra. The company is engaged in wet milling of maize for manufacturing of maize starch and other by-products which finds applications in textile, processed foods, pharmaceuticals, chemical, paper and other industries. Additionally, processed maize also yields gluten, germ seed and fibre. Gluten finds application in animal feed industry. Fiber is used as cattle feed. Germ is used in the extraction of corn oil. Further the company has



Press Release

diversified its product portfolio in new value-added product such as Maize Oil & liquid glucose
Company has installed capacity of 500 MT per day of maize crushing.

Financials (Standalone):

(Rs. crore)

For the year ended / As on	31-03-2022	31-03-2023
	Audited	Audited
Total Operating Income	458.45	518.72
EBITDA	27.88	20.29
PAT	11.44	5.90
Total Debt	44.65	60.25
Tangible Net worth	57.65	64.24
Ratios		
EBITDA Margin (%)	6.08	3.91
PAT Margin (%)	2.50	1.14
Overall Gearing Ratio (x)	0.77	0.94

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (Feb 02, 2023)	Date(s) & Rating(s) assigned in 2021-22 (Dec 28, 2021)	Date(s) & Rating(s) assigned in 2020-21
1.	Long Term Bank Facilities	Long Term	54.87	IVR BB+ / Negative; ISSUER NOT COOPERATING*	IVR BBB- / Stable	IVR BB+/ Positive	-
2.	Short Term Bank Facilities	Short Term	15.40	IVR A4/; ISSUER NOT COOPERATING *	IVR A3	IVR A4+	-

*Issuer did not cooperate; based on best available information



Press Release

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com.

<p>Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.</p>



Press Release

Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. crore)	Rating Assigned/ Outlook
Long Term Bank Facilities	-	-	-	54.87	IVR BB+ /Negative; ISSUER NOT COOPERATING*
Short Term Bank Facilities	-	-	-	15.40	IVR A4+; ISSUER NOT COOPERATING*

**Issuer did not cooperate; based on best available information*

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details: Not Available

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.