



## Press Release

### Cosmos Industries Limited

**May 10, 2023**

#### Ratings

Facilities	Amount (INR crore)	Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Bank Facility	62.00	IVR D ISSUER NOT COOPERATING*  (IVR D Issuer Not Cooperating)	Revised from IVR B ISSUER NOT COOPERATING* (IVR B Issuer Not Cooperating) and continues in the 'Issuer Not Cooperating' category	Simple
<b>Total</b>	<b>62.00 (INR Sixty two crore only)</b>			

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

#### Details of Facilities are in Annexure 1

#### Detailed Rationale

The rating revision assigned to the bank facility of Cosmos Industries Limited reflects delays in debt servicing obligations by the company owing to its stretched liquidity position.

Infomerics have also continued the rating in the Issuer Not Cooperating category because of lack of adequate information regarding the company's performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the company 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 the rating may not adequately reflect the credit risk profile of the company.

#### Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned ratings to the bank facilities, vide mail communications dated January 9, 2023, January 19, 2023, May 02, 2023, May 04, 2023, and concurrently over several phone



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calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details/information for 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 assign the rating based on the best available information.

Accordingly, the long-term rating for the bank loan facility aggregating to INR 62.00 crore shall be continued in the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR D ISSUER NOT COOPERATING based on best available information (IVR D Issuer Not Cooperating) of Cosmos Industries Limited.

**Analytical Approach & Applicable Criteria:** Standalone

[Rating Methodology for Manufacturing Companies](#)

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

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

[Default Recognition Policy](#)

### **About the company**

Cosmos Industries Limited (CIL) was set up by one Yadav Family in 1998 at Dhuri, Sangrur district, Punjab and is engaged in the manufacturing of White Crystal Sugar with initial installed capacity of 3200 TCD and its by products such as Molasses, Bagasse. The company is having its Registered Office at Dhuri, Sangrur district, Punjab, Punjab. The day-to-day affairs of the company are being looked after by Sh. Kunal Yadav Managing Director of the company.

### **Financials (Standalone)**

(INR Crore)		
For the year ended* / As On	31-03-2019	31-03-2020
	Audited	Audited
Total Operating Income	120.58	155.14
EBITDA	5.21	10.70



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PAT	-0.01	1.01
Total Debt	103.48	90.56
Adjusted Tangible Net worth^	19.30	27.32
EBITDA Margin (%)	4.32	6.89
PAT Margin (%)	-0.01	0.64
Overall Gearing Ratio (x)	4.12	2.47

\* As per Infomerics Standard

**Status of non-cooperation with previous CRA:** India Ratings has placed the rating of bank facilities under “Issuer not cooperating” category vide press release dated June 03, 2022, due to non-cooperation from client.

**Any other information:** Nil

**Rating History for last three years:**

Sr · N o.	Name of Instrument /Facilities	Current Rating (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22 March 24, 2022	Date(s) & Rating(s) assigned in 2020-21 Dec 28, 2020
1.	Cash Credit	Long Term	62.00	IVR D ISSUER NOT COOPER ATING*	-	IVR B ISSUER NOT COOPER ATING*	IVR B+/ Stable

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

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### About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India



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registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

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

For more information visit [www.infomerics.com](http://www.infomerics.com)

**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.

### Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	62.00	IVR D ISSUER NOT COOPERATING*

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



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

**Annexure 3: Facility wise lender details: Not Applicable**

**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](http://www.infomerics.com)

