



Press Release

Shree Ram Proteins Limited

February 10, 2023

Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	37.15	IVR B+/ Negative; Issuer Not Cooperating* (IVR Single B Plus with Negative Outlook; Issuer Not Cooperating*)	Revised from IVR BB-; Issuer Not Cooperating* (IVR Double B Minus; Issuer Not Cooperating*) and continued at ISSUER NOT COOPERATING category	Simple
Short Term Bank Facilities	0.10	IVR A4; Issuer Not Cooperating* (IVR A Four; Issuer Not Cooperating*)	Reaffirmed and continued at ISSUER NOT COOPERATING category	Simple
Total	37.25 (Rupees Thirty Seven crore and Twenty Five lakh 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 Shree Ram Proteins Limited (SRPL) factors in the significant deterioration in company's financial performance in Q3FY23 as compared to Q3FY22. In Q3FY23, the company reported around 46% decline in the total operating income as compared to total operating income in Q3FY22, around 56% decline in the PAT as compared to PAT in Q3FY22, and around 41% decline in GCA as compared to PAT in Q3FY22. In 9MFY23, the company has also reported around 27% decline in the total operating income as compared to total operating income in 9MFY22 and around 24% decline in the PAT as compared to PAT in 9MFY22. The ratings also factor in the publicly available information that the company has received a stay order (dated January 25, 2023) from the National Company Law Appellate Tribunal (NCLAT) on the National Company Law Tribunal's (NCLT) decision (order dated January 11, 2023) related to its admission under the Corporate



Press Release

Insolvency Resolution Process (CIRP). As per the stay order, the NCLAT has directed the company to deposit the principal disputed amount of Rs.1.22 crore against the entire claim amount of Rs.4.82 crore (including interest@18% of Rs.3.61 crore) within two weeks from January 25, 2023. Further, the stay on NCLT's order dated January 11, 2023, will continue till the next hearing on March 21, 2023.

The ratings assigned to SRPL's bank facilities further reflects lack of adequate information available 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.

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 email communications dated October 14, 2022, October 12, 2022, November 10, 2022, December 31, 2022, January 13, 2023 and February 2, 2023 and concurrently over several phone calls. However, despite the repeated requests by Infomerics, the company's management has not submitted the requested information for monitoring the ratings.

Availability of information is very critical in the rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to review the rating based on the best available information. Accordingly, the ratings for the bank facilities of SRPL aggregating Rs.37.25 crore has been continued in the 'ISSUER NOT COOPERATING' category by Infomerics.

Analytical Approach: Standalone

Applicable Criteria:

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

[Policy of default recognition](#)

[Criteria of assigning Rating Outlook](#)



Press Release

Rating Methodology for Manufacturing Companies

Financial Ratios & Interpretation (Non-Financial Sector)

About the company

Incorporated in 2008, the Rajkot (Gujarat) based SRPL is primarily involved in cotton seed extraction. The company is also engaged in trading of cotton bales, cotton seed cakes, oil rice bran, soya beans and occasionally mustard seeds amongst others. The company is promoted by Mr. Lalitkumar Chandulal Vasoya, Mr. Lavjibhai Valjibhai Savaliya and Mr. Piyush Chandulal Vasoya. SRPL's manufacturing product basket includes cotton oil and cotton seed cake, derived from cotton seeds. While mustard seed products include mustard seed oil. The company also sells by products which includes oil cake, seeds and beans.

Financials (Standalone):

	(Rs. crore)	
For the year ended / As On*	31-03-2021 (Audited)	31-03-2022 (Audited)
Total Operating Income	152.56	287.80
EBITDA	5.77	12.85
PAT	0.84	6.14
Total Debt	43.72	42.51
Tangible Net worth	46.08	52.23
Ratios		
EBITDA Margin (%)	3.78	4.47
PAT Margin (%)	0.55	2.13
Overall Gearing Ratio (x)	0.95	0.81

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:



Press Release

Sr. No	Name of Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years			
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22 (April 22, 2021)	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
1.	Term Loan	Long Term	6.15	IVR B+/ Negative; Issuer Not Cooperating*	<ul style="list-style-type: none"> • IVR BB-; Issuer Not Cooperating* (November 10, 2022) • IVR BB; Issuer Not Cooperating* (June 14, 2022) 	IVR BB+/ Stable	-	-
2.	Cash Credit	Long Term	31.00	IVR B+/ Negative; Issuer Not Cooperating*	<ul style="list-style-type: none"> • IVR BB-; Issuer Not Cooperating* (November 10, 2022) • IVR BB; Issuer Not Cooperating* (June 14, 2022) 	IVR BB+/ Stable	-	-
3.	Bank Guarantee	Short Term	0.10	IVR A4; Issuer Not Cooperating*	<ul style="list-style-type: none"> • IVR A4; Issuer Not Cooperating* (November 10, 2022) • IVR A4; Issuer Not Cooperating* (June 14, 2022) 	IVR A4+	-	-

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

Name and Contact Details of the Rating Analyst:

Name: Nilesh Gupta Tel: (022) 62396023 Email: nilesh.gupta@infomerics.com	Name: Niriksha Gupta Tel: (022) 62396023 Email: niriksha.gupta@infomerics.com
--	--

About Infomerics:

Infomerics Valuation and Rating Private Limited (Infomerics) was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after



Press Release

obtaining Securities Exchange Board of India 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

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 (Rs. crore)	Rating Assigned/ Outlook
Term Loan	-	-	March 2025	6.15	IVR B+/ Negative; Issuer Not Cooperating*
Cash Credit	-	-	-	31.00	IVR B+/ Negative; Issuer Not Cooperating*
Bank Guarantee	-	-	-	0.10	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



Press Release

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.