



## Press Release

### Shree Ram Proteins Limited

May 16, 2023

**Ratings:**

<b>Instrument / Facility</b>	<b>Amount (INR Crore)</b>	<b>Ratings</b>	<b>Rating Action</b>	<b><u>Complexity Indicator</u></b>
Long Term Bank Facilities – Cash Credit	31.00	IVR D; ISSUER NOT COOPERATING * (IVR D; ISSUER NOT COOPERATING) *	Revised and continued in ISSUER NOT COOPERATING Category	Simple
Long Term Bank Facilities – Term Loan	6.15	IVR D; ISSUER NOT COOPERATING * (IVR D; ISSUER NOT COOPERATING) *	Revised and continued in ISSUER NOT COOPERATING Category	Simple
Short Term Bank Facilities – Bank Guarantee	0.10	IVR D; ISSUER NOT COOPERATING * (IVR D; ISSUER NOT COOPERATING) *	Revised and continued in ISSUER NOT COOPERATING Category	Simple
<b>Total</b>	<b>37.25 (Rupees Nineteen Crores &amp; Ninety-Eight lakhs only)</b>			

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

#### **Details of Facility are in Annexure 1**

#### **Detailed Rationale**

The revision in the ratings assigned to the bank facilities of Shree Ram Proteins Limited (SRPL) factors into instances of delays in debt servicing on account of a significant deterioration in the company's liquidity based on publicly available information. Further, the ratings also factor in the significant deterioration in company's financial performance in Q4FY23 as compared to Q4FY22. In Q4FY23 the company has reported around 75% decline in the total operating income as compared to total operating income in Q3FY22 and around 60% decline in the PAT in Q4FY23 as compared to PAT in Q3FY22 and around 53% decline



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in GCA in Q4FY23 as compared to PAT in Q4FY22. The company has also reported around 43% decline in the total operating income and around 37% decline in the PAT in FY23 as compared to FY22.

The ratings assigned to SRPL 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 the 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 mail communications May 3, 2023, May 5, 2023, May 8, 2023, May 10, 2023, May 15, 2023, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted some of the essential details.

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 ratings for the bank loan facilities aggregating to Rs. 37.25 crore of SRPL shall be maintained in the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR D; INC; based on best available information (IVR D; ISSUER NOT CO-OPERATING); based on best available information.

**Analytical Approach:** Standalone

### **Applicable Criteria:**

[Rating Methodology for Manufacturing companies](#)

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

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

[Criteria of Rating Outlook](#)

[Policy of default recognition](#)



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### 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*	31-03-2022	31-03-2023
	Audited	Audited
Total Operating Income	287.80	162.68
EBITDA	12.85	9.52
PAT	6.14	3.85
Tangible Net worth	52.23	56.07
<b>Ratios</b>		
EBITDA Margin (%)	4.47	5.85
PAT Margin (%)	2.13	2.37
Overall Gearing Ratio	0.81	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:

S. No	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 (April 22, 2021)	Date(s) & Rating(s) assigned in 2020-21 (Dec 18, 2019)
1.	Long Term Bank	Long Term	31.00	IVR D; ISSUER NOT	<ul style="list-style-type: none"> <li>IVR B+/ Negative; Issuer Not Cooperating*</li> </ul>	IVR BB+/ Stable	-



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	Facilities – Cash Credit			COOPER ATING *	(February 10, 2023) • IVR BB-; Issuer Not Cooperating* (November 10, 2022) • IVR BB; Issuer Not Cooperating* (June 14, 2022)		
2.	Long Term Bank Facilities – Term Loan	Long Term	6.15	IVR D; ISSUER NOT COOPER ATING *	• IVR B+/ Negative; Issuer Not Cooperating* (February 10, 2023) • IVR BB-; Issuer Not Cooperating* (November 10, 2022) • IVR BB; Issuer Not Cooperating* (June 14, 2022)	IVR BB+/ Stable	-
3.	Short Term Bank Facilities – Bank Guarante e	Short Term	0.10	IVR D; ISSUER NOT COOPER ATING *	• IVR A4; Issuer Not Cooperating* (February 0, 2023) • 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*

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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 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.



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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
Long Term Bank Facilities – Cash Credit	--	--	--	31.00	IVR D; ISSUER NOT COOPERATING*
Long Term Bank Facilities – Term Loan	--	--	March 2025	6.15	IVR D; ISSUER NOT COOPERATING*
Short Term Bank Facilities – Bank Guarantee	--	--	--	0.10	IVR D; ISSUER NOT COOPERATING*

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

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



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