

## Narayan Cotgin Corporation

September 12, 2022

### Ratings

| Facilities / Instruments  | Amount (Rs. crore)                   | Rating <sup>1</sup>  | Rating Action  |
|---------------------------|--------------------------------------|--|--|
| Long Term Bank Facilities | 6.00                                 | <b>CARE B-; Stable; ISSUER NOT COOPERATING* (Single B Minus; Outlook: Stable; ISSUER NOT COOPERATING*)</b> | <b>Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B; Stable; (Single B; Outlook: Stable)</b> |
| <b>Total Facilities</b>   | <b>6.00<br/>(Rs. Six Crore Only)</b> |  |  |

Details of instruments/facilities in Annexure-1

#### Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated August 18, 2021, placed the rating(s) of Narayan Cotgin Corporation (NCC) under the 'issuer non-cooperating' category as NCC had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. NCC continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated July 04, 2022, July 14, 2022, July 24, 2022.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

The ratings assigned to the bank facilities of NCC have been revised on account of non-availability of requisite information.

#### Detailed description of the key rating drivers

Please refer to PR dated [August 18, 2021](#)

**Analytical approach:** Standalone

#### Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

#### About the Firm

NCC was constituted as a partnership firm in 2005. NCC is engaged in cotton ginning & pressing business. The firm is promoted by Mr Thakarshi Metaliya along with other family members. NCC operates from its sole manufacturing plant located at Amreli (Gujarat) with an installed capacity of 12,800 MTPA as on March 31, 2018. NCC has six associate concerns namely Narayan Spinning Mills Private Limited (NSMPL: CARE BB+; Positive / CARE A4+), Narayan Solvex, Narayan Agro Seeds, Narayan Oil Mill, Shakti Oil Mill and Narayan Forging and Gears Private Limited. NCC along with its associate's concerns are referred to as Narayan Group. These associate concerns are in the various businesses ranging from Cotton yarn manufacturing, trading of cotton, cotton seeds and cotton bales, cotton yarn, trading of various agriculture products, oil milling and manufacturing of gears.

| Brief Financials (Rs. crore) | FY20(A) | FY21(A) | FY22(Prov.) | Q1FY23 (Prov.) |
|------------------------------|---------|---------|-------------|----------------|
| Total operating income       | NA      | NA      | NA          | NA             |
| PBILDT                       | NA      | NA      | NA          | NA             |
| PAT                          | NA      | NA      | NA          | NA             |
| Overall gearing (times)      | NA      | NA      | NA          | NA             |
| Interest coverage (times)    | NA      | NA      | NA          | NA             |

A: Audited; Prov.: Provisional; NA: Not Available

**Status of non-cooperation with previous CRA:** Not Applicable

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and in other CARE Ratings Ltd.'s publications

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

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

**Covenants of rated instrument/facility:** Annexure-3

**Complexity level of various instruments rated for this firm:** Annexure-4

**Annexure-1: Details of Instruments/Facilities**

| Name of the Instrument      | ISIN | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. crore) | Rating Assigned along with Rating Outlook |
|-----------------------------|------|------------------|-------------|---------------|-------------------------------|---|
| Fund-based - LT-Cash Credit |      | -                | -           | -             | 6.00                          | CARE B-; Stable; ISSUER NOT COOPERATING*  |

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

**Annexure-2: Rating History of last three years**

| Sr. No. | Name of the Instrument / Bank Facilities | Current Ratings |                                |  | Rating History                              |   |  |   |
|---------|--|-----------------|--------------------------------|--|---|---|--|---|
|         |  | Type            | Amount Outstanding (Rs. crore) | Rating                                   | Date(s) and Rating(s) assigned in 2022-2023 | Date(s) and Rating(s) assigned in 2021-2022           | Date(s) and Rating(s) assigned in 2020-2021            | Date(s) and Rating(s) assigned in 2019-2020 |
| 1       | Fund-based - LT-Cash Credit              | LT              | 6.00                           | CARE B-; Stable; ISSUER NOT COOPERATING* | -   | 1)CARE B; Stable; ISSUER NOT COOPERATING* (18-Aug-21) | 1)CARE B+; Stable; ISSUER NOT COOPERATING* (01-Jul-20) | -   |

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

**Annexure 3: Detailed explanation of the covenants of the rated instruments/facilities:** Not Applicable

**Annexure 4: Complexity level of various instruments rated for this firm**

| Sr. No. | Name of Instrument          | Complexity Level |
|---------|-----------------------------|------------------|
| 1       | Fund-based - LT-Cash Credit | Simple           |

**Annexure 5: Bank Lender Details for this Firm**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instrument:** CARE Ratings Ltd. has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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**About CARE Ratings Limited:**

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