

Virchand Narsi Cotton Private Limited

May 30, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	26.50	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B; Stable;

Details of instruments/facilities in Annexure-1

*Issuer did not cooperate; based on best available information

Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated April 14, 2023, placed the rating(s) of Virchand Narsi Cotton Private Limited (VNCPL) under the 'issuer non-cooperating' category as VNCPL 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. VNCPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated February 28, 2024, March 09, 2024, March 19, 2024 and May 29, 2024.

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 VNCPL have been revised on account of delays in debt servicing recognized from publicly available information i.e., CIBIL filings as well as FY22 audit report available from ROC Filings

Analytical approach: Standalone

Outlook: Not Applicable

Detailed description of the key rating drivers:

Please refer to PR dated [April 14, 2023](#)

Applicable criteria

[CARE Ratings' criteria on information adequacy risk and issuer non-cooperation](#)
[Policy on default recognition](#)

About the company

VNCPL was incorporated on August 07, 2002 and is based at Malkapur (Buldhana District), Maharashtra. It was promoted by Dand family. VNCPL is engaged in ginning and pressing of raw cotton and crushing of cotton seeds. The company is also in the business of trading of cotton seed and cotton bales. VNCPL's product portfolio includes cotton bales, cotton seeds, washed oil and cotton seed cake

Brief Financials (Rs. crore)	March 31, 2021 (A)	March 31, 2022 (A)
Total operating income	180.13	84.03
PBILDT	3.91	-13.55
PAT	0.13	-18.27
Overall gearing (times)	4.57	NM
Interest coverage (times)	1.05	NM

A: Audited NM: Not Meaningful; Note: 'the above results are latest financial results available'

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Status of non-cooperation with previous CRA: CRISIL has continued the rating assigned to the bank facilities of VNCPL under Issuer Not Cooperating category vide press release dated May 24, 2024 on account of its inability to carry out a review in the absence of the requisite information from the company.

Any other information: Not Applicable

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

Covenants of rated instrument/facility: Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Please refer Annexure-4

Lender details: Annexure 5

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Working Capital Limits		-	-	-	26.50	CARE D; 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 (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Working Capital Limits	LT	26.50	CARE D; ISSUER NOT COOPERATING*	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (14-Apr-23)	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (21-Mar-22)

*Issuer did not cooperate; Based on best available information

LT: Long term

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

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Working Capital Limits	Simple

Annexure-5: Lender details

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

Note on complexity levels of the rated instrument: CARE Ratings 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.

Contact us

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About us:

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