October 30, 2019

Sigachi Industries Pvt. Ltd.: Rating Continues to remain under Non-Cooperating category

Summary of Rated Instrument:

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund based	28.68	28.68	[ICRA]BB+(Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Non-fund based	10.75	10.75	[ICRA]A4+; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Unallocated Limits	0.57	0.57	[ICRA]BB+(Stable)/[ICRA]A4+; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Total	**40.00**	**40.00**	

*Issuer did not co-operate; based on best available information.

Rationale

The rating for the Rs.40.00 crore bank facilities of Sigachi Industries Pvt. Ltd. to remain under 'Issuer Not Cooperating' category. The rating is now denoted as "[ICRA]BB+(Stable)/[ICRA]A4+; ISSUER NOT COOPERATING".

ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis best available information on the issuers' performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology
Parent/Group Support	Not Applicable
Consolidation / Standalone	The ratings are based on standalone financial profile of the company

About the company:

Sigachi Industries Pvt. Ltd. (SIPL) was incorporated in 1989 as Sigachi Chlorochemicals Private Limited to manufacture Chlorinated paraffin (CP). Later, the name was changed to SIPL in 2010. From 1995, the company started manufacturing of Microcrystalline Cellulose Powder (MCCP) which is used in pharmaceutical and food products industry as an excipient. MCCP is primarily used as an excipient (binder/ filler) in the pharmaceutical industry. SIPL also undertakes Operations and Maintenance of two plants of Gujarat Alkalies & Chemicals Limited. The company has three manufacturing facilities located at Hyderabad, Dahej (Gujarat) and Jhagadia (Gujarat) with total installed plant capacity of 7980 MTPA in which the installed capacity for MCCP is 7800 MTPA whereas the remaining capacity is used for manufacturing CP and other products.

Key financial indicators: Not available

The previous detailed rating rationale is available on the following link: Click here

Rating history for past three years

All figures in Rs. Crore

	Instrument	Current Rating (FY2020)				Rating History for the Past 3 Years		
		Type	Amount Rated	Amount Outstanding	Rating	FY2019	FY2018	FY2017
					30-October-2019	13-July-2018	16-January-2018	14-March2017
1	Fund based	Long Term	28.68	-	[ICRA]BB+(Stable) ISSUER NOT COOPERATING	[ICRA]BB+(Stable); ISSUER NOT COOPERATING	[ICRA]BB+(Stable) ISSUER NOT COOPERATING	[ICRA]BB+ (Stable)
2	Non-fund based	Short Term	10.75	-	[ICRA]A4+ ISSUER NOT COOPERATING	[ICRA]A4+ ISSUER NOT COOPERATING	[ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]A+ (Stable)
3	Unallocated Limits	Long Term/ Short Term	0.57	-	[ICRA]BB+(Stable) /A4+ ISSUER NOT COOPERATING	[ICRA]BB+(Stable) /A4+ ISSUER NOT COOPERATING	[ICRA]BB+(Stable) /A4+ ISSUER NOT COOPERATING	[ICRA]BB+ (Stable)/A4+

ANALYST CONTACTS

Mr. K. Ravichandran
+91 44 4596 4301
ravichandran@icraindia.com

R. Srinivasan
+91 44 4596 4315
r.srinivasan@icraindia.com

Vinay Kumar G
+91 40 4067 6533
vinay.g@icraindia.com

B Kushal Kumar
+91 40 4067 6521
Kushal.kumar@icraindia.com

RELATIONSHIP CONTACT

Jayanta Chatterjee
+91 80 4332 6401
jayantac@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries:

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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ICRA Limited

Corporate Office
Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002
Tel: +91 124 4545300
Email: info@icraindia.com
Website: www.icra.in

Registered Office
1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001
Tel: +91 11 23357940-50

Branches

Mumbai	+ (91 22) 24331046/53/62/74/86/87
Chennai	+ (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,
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