

February 20, 2024

Sri Vishwa Jyothi Agri Cottons: Continues to remain under Issuer Non-Cooperating category, Long Term Rating downgraded based on best available information

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Unallocated	0.10	0.10	[ICRA]B+(Stable) ; ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB-(Stable);ISSUER NOT COOPERATING and continues to remain under 'Issuer Not Cooperating' category
Long Term-Fund Based-Term Loan	3.90	3.90	[ICRA]B+(Stable) ; ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB-(Stable);ISSUER NOT COOPERATING and continues to remain under 'Issuer Not Cooperating' category
Long Term-Fund Based-Cash Credit	15.00	15.00	[ICRA]B+(Stable) ; ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB-(Stable);ISSUER NOT COOPERATING and continues to remain under 'Issuer Not Cooperating' category
	19.00	19.00	

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

[^]Instrument details are provided in Annexure-1

Rationale

The rating downgrade is attributable to the lack of adequate information regarding Sri Vishwa Jyothi Agri Cottons performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. 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, despite the downgrade."

As part of its process and in accordance with its rating agreement with Sri Vishwa Jyothi Agri Cottons, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Key Financial Indicators : [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by 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	NA
Consolidation/Standalone	Standalone

About the company

Established in April 2019, Sri Vishwa Jyothi Agro Cottons (SVJAC) is a partnership firm engaged in ginning and pressing of raw cotton to produce cotton bales and cotton seeds. The firm is located in Raichur (Karnataka) and is owned and managed by the partners. The firm has commenced its operations with installation of 48 ginning machines, with a production capacity is around 82000 quintals per annum at 33% Yield & Cotton Seeds at 165000 quintals at 66% Yield. The firm is estimating to operate at 80% of its installed capacity for the first year and 2% increase is provided every year. They have been present in cotton business in Raichur (where the current factory is located) for last 10 years and are also associated with Sri Jyothi Cotton Ginners.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2024)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. Crore)	Amount Outstanding (Rs. Crore) Mar 31, 2021	Date & Rating in	Date & Rating in FY 2023	Date & Rating in FY 2022	Date & Rating in FY 2021	
					Feb 20, 2024	Dec 15, 2022	Sep 14, 2021	-	
1.	Unallocated	Long Term	0.10	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable)	-	
2.	Fund Based-Term Loan	Long Term	3.90	3.70	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable)	-	
3.	Fund Based-Cash Credit	Long Term	15.00	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable)	-	

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long Term-Unallocated Limits	Not Applicable
Long Term-Fund Based-Term Loan	Simple
Long Term-Fund Based-Cash Credit	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Long Term-Unallocated	-	-	-	0.10	[ICRA]B+(Stable);ISSUER NOT COOPERATING
NA	Long Term-Fund Based-Term Loan-I	2019	11.4%	2025	1.20	[ICRA]B+(Stable);ISSUER NOT COOPERATING
NA	Long Term-Fund Based-Term Loan-II	2020	8.2%	2025	2.7	[ICRA]B+(Stable);ISSUER NOT COOPERATING
NA	Long Term-Fund Based-Cash Credit	-	-	-	15.00	[ICRA]B+(Stable);ISSUER NOT COOPERATING

Source: Sri Vishwa Jyothi Agri Cottons

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

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