

September 18, 2019

## Sambhaji Raje Cold Storage: Rating downgraded to [ICRA]D and continues to remain in the 'Issuer Not Cooperating' category

### Summary of rating action:

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-Term, Fund based - Term Loan	1.98	1.98	[ICRA]D ISSUER NOT COOPERATING; Rating downgraded from [ICRA]B- (Stable) ISSUER NOT COOPERATING and continues to remain in the 'Issuer Not Cooperating' category
Long-Term, Fund based - Cash Credit	5.00	5.00	[ICRA]D ISSUER NOT COOPERATING; Rating downgraded from [ICRA]B- (Stable) ISSUER NOT COOPERATING and continues to remain in the 'Issuer Not Cooperating' category
<b>Total</b>	<b>6.98</b>	<b>6.98</b>	

\*Instrument details are provided in Annexure-1

### Rationale

The rating downgrade follows the delay in debt servicing by Sambhaji Raje Cold Storage (SRCS/'the firm') to the lender, as confirmed by them to ICRA. As confirmed by the client, the delays were due to the lag in receivables which pressurized its liquidity resulting in overdrawal in its fund based working capital limits (cash credit/produce market loan) in the recent past.

ICRA has limited information on the entity's performance since the time it was last rated in December 2016.

As part of its process and in accordance with its rating agreement with SRCSL, 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. In the absence of requisite information and in line with SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA's Rating Committee has taken a rating view based on the best available information.

### Key rating drivers and their description

#### Credit strengths

Not applicable

#### Credit challenges

##### Recent delays in debt servicing

The company witnessed delayed receipt of payments from its customers which impacted its liquidity and resulted in overdrawals in fund based working capital facility (Cash credit / Produce market loan) in the recent past.

## Liquidity Position: Poor

SRCS's liquidity profile is poor as reflected by recent irregularities in debt servicing by company.

## Rating sensitivities

**Positive triggers** – Regularisation of debt servicing on a sustained basis (more than three months).

**Negative triggers** – Not applicable

## Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Policy on default recognition</a> <a href="#">Policy in respect of non-cooperation by the rated entity</a>
Parent/Group Support	Not applicable
Consolidation/Standalone	Based on standalone financials

## About the company:

Incorporated in FY'2013, the Sangli based Sambhaji Raje Cold storage is promoted by Mr.Sambhaji Patil. The proprietorship firm has established a cold storage of capacity 1850 MT mainly for storage of raisins. Abhijeet Traders is the flagship company of the group promoted by Mr. Sambhaji Patil. The firm is involved in trading of raisins. The other group firms involved in raisin trading and related agricultural products trading include Abhijeet Traders, Saraswati Traders, Abhijeet Krushipurak Udyog among others).

The previous detailed rating rationale is available on the following link: [Click here](#)

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

**Any other information:** None

### Rating history for past three years:

	Instrument	Current Rating (FY2020)			Rating History for the Past 3 Years			
		Type	Amount Rated	Amount Outstanding	Rating	FY2019	FY2018	FY2017
					18-Sep-2019	01-June-2018	15-Nov-2017	16-Jan-2017
1	Term Loan	Long Term	1.98	1.98 <sup>^</sup>	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]B-(stable); ISSUER NOT COOPERATING	[ICRA]B-(stable); ISSUER NOT COOPERATING	[ICRA]B-(stable)
2	Cash Credit	Long Term	5.00	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]B-(stable); ISSUER NOT COOPERATING	[ICRA]B-(stable); ISSUER NOT COOPERATING	[ICRA]B-(stable)

Amount in Rs. Crore ^ As on March 31,2016

### Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

### 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	Term Loan	2013	11%	2020	1.98	[ICRA]D ISSUER NOT COOPERATING
NA	Cash Credit	-	11%	-	5.00	[ICRA]D ISSUER NOT COOPERATING

Source: SRCS

## ANALYST CONTACTS

**K. Ravichandran**

+91 44 4596 4301

[ravichandran@icraindia.com](mailto:ravichandran@icraindia.com)

**Suprio Banerjee**

+91 22 6114 3443

[supriob@icraindia.com](mailto:supriob@icraindia.com)

**Tushar Bharambe**

+91 22 6169 3350

[tushar.bharambe@icraindia.com](mailto:tushar.bharambe@icraindia.com)

**Shashikant Raut**

+91 20 6696 9915

[shashikant.raut@icraindia.com](mailto:shashikant.raut@icraindia.com)

## RELATIONSHIP CONTACT

**Jayanta Chatterjee**

+91 80 4332 6401

[jayantac@icraindia.com](mailto:jayantac@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

### Helpline for business queries:

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

[info@icraindia.com](mailto:info@icraindia.com)

### About ICRA Limited:

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For more information, visit [www.icra.in](http://www.icra.in)

## 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](mailto:info@icraindia.com)

Website: [www.icra.in](http://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,  
Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,  
Bangalore + (91 80) 2559 7401/4049  
Ahmedabad+ (91 79) 2658 4924/5049/2008  
Hyderabad + (91 40) 2373 5061/7251  
Pune + (91 20) 2556 0194/ 6606 9999

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