



## Press Release

Sheetal Cool Products Limited (SCPL)

July 16, 2024

### Ratings:

Facilities/ Instruments	Amount (Rs. crore)	Current Ratings*	Previous Ratings	Rating Action	Complexity Indicator (Simple/High /Complex)
Long Term Fund Based Facilities	50.00	IVR BB-/Negative; ISSUER NOT COOPERATING* (IVR Double B Minus with Negative Outlook ISSUER NOT COOPERATING)	IVR BB/Negative; ISSUER NOT COOPERATING* (IVR Double B with Negative Outlook ISSUER NOT COOPERATING)	Downgraded, and continues under Issuer Not Cooperating Category	<a href="#">Simple</a>
<b>Total</b>	<b>50.00</b> <b>(Fifty Crore Only)</b>				

*\*Issuer not cooperating, based on best available information*

**Details of Facilities/Instruments are in Annexure 1.**

**Facility wise lender details are at Annexure 2.**

**Detailed explanation of covenants is at Annexure 3.**

### Detailed Rationale

The aforesaid rating downgrade to the bank facilities of Sheetal Cool Products Limited reflects lack of adequate information available about the performance of the company and the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

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 rating revision.



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### **Note on non-cooperation.**

Infomerics has repeatedly followed up with the company to provide information to monitor the rating(s) vide e-mail July 02, 2024, July 03, 2024, July 05, 2024 and July 10, 2024, along with telephonic conversations. However, despite repeated requests, the company has failed to submit data for review.

Availability of information is very critical in rating exercise. In the absence of the relevant information, in consonance with SEBI guidelines, Infomerics has moved the ratings assigned to the bank loan facilities of Sheetal Cool Products Limited aggregating to INR 50.00 crore to the 'ISSUER NOT COOPERATING' category. The rating is now denoted as IVR BB-/ Negative Outlook; ISSUER NOT COOPERATING

**Analytical Approach:** Standalone Approach

### **Applicable Criteria:**

[Policy on Issuer Not Cooperating](#)

[Rating Methodology for Manufacturing companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

### **About the Company**

Sheetal Cool Products Limited (SCPL) was established in the year 2000 as a proprietorship firm by late Shri Jagdishbhai D. Bhuva as M/s. Shree Shital Industries for the purpose of carrying out the business of manufacturing Ice-Cream under the name, Sheetal and J'adore, at Amreli (Gujarat). The company manufactures ice-cream, milk and milk products (lassi, buttermilk, and flavored milk), frozen foods, confectionery items, and snacks.



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Financials (Standalone):

(In Crore)

For the year ended / INR. Crore	31-03-2022	31-03-2023
	Audited	Audited
Total Operating Income	329.93	341.98
EBITDA	40.52	44.83
PAT	18.33	20.47
Total Debt	74.98	86.80
Tangible Net Worth	73.11	92.88
EBITDA Margin (%)	12.28	13.11
PAT Margin (%)	5.56	5.99
Overall Gearing Ratio (x)	1.03	0.93
Interest Coverage	8.24	6.00

\*Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: None

Any other information: None

Rating History for last three years:

Sl. No.	Name of Instrument/ Facilities	Type	Current Rating (Year 2024-25)		Rating History for the past 3 years		
			Amount outstanding (INR crore)	Assigned Rating	Date(s) & Rating(s) assigned in 23-24	Date(s) & Rating(s) assigned in 22-23	Date(s) & Rating(s) assigned in 21-22
					July 04, 2023	May 31, 2022	April 05, 2021
1.	Long Term Fund Based Facilities	Long Term	50.00	IVR BB-/Negative; ISSUER NOT COOPERATING* (IVR Double B Minus with Negative Outlook ISSUER NOT COOPERATING)	IVR BB-/Negative; ISSUER NOT COOPERATING (IVR Double B with Negative Outlook ISSUER NOT COOPERATING)	IVR BB+/ISSUER NOT COOPERATING (IVR Double B Plus ISSUER NOT COOPERATING)*	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)



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### About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.



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### Annexure 1: Details of Facilities:

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	27.75	IVR BB-/Negative; ISSUER NOT COOPERATING
Term Loan	-	-	-	22..25	IVR BB-/Negative; ISSUER NOT COOPERATING

### Annexure 2: Facility wise lender details (Hyperlink to be added): Not Applicable

### Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Name of the Security	Detailed Explanation
<b>Financial Covenant</b>	
i.	
ii.	
<b>Non-financial Covenant</b>	
i.	
ii.	

### Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).