

## Press Release

**Compact Spinners India Private Limited**

February 19, 2019



### Rating Update

<b>Total Bank Facilities Rated*</b>	Rs. 5.60 Cr. #
<b>Long Term Rating</b>	ACUITE BB Issuer not co-operating*

# Refer Annexure for details

\* The issuer did not co-operate; Based on best available information.

Acuité has reviewed long-term rating of '**ACUITE BB**' (**read as ACUITE BB**) on the Rs. 5.60 crore bank facilities of Compact Spinners India Private Limited. This rating is now an indicative rating and is based on best available information.

CSIPL is a Dindigul based company established in the year 2004 by Mr. A. Chockalingam, Mrs. Neela Chockalingam, and Mr. Neela Chockalingam, among others. The company is engaged in the manufacture of cotton yarn of count ranging 40s to 60s which is used to manufacture fabric for readymade garments. The company's manufacturing unit is located at Dindigul district, Tamil Nadu with an installed capacity of 14,920 spindles. The company is on course to add further capacity of around 11,000 spindles along with humidification equipment which is expected to commence operations from March 2018. CSIPL has a client concentration in Maharashtra and procures raw material, i.e. cotton, from various traders located in Karnataka, Telangana and Maharashtra.

#### Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

#### Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

#### Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

#### About the Rated Entity - Key Financials

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	27.09	25.38	25.08
EBITDA	Rs. Cr.	2.10	2.21	2.46
PAT	Rs. Cr.	0.61	0.50	0.80
EBITDA Margin	(%)	7.74	8.69	9.82
PAT Margin	(%)	2.24	1.98	3.19
ROCE (%)	(%)	11.42	13.77	35.49
Total Debt/Tangible Net Worth	Times	1.01	1.10	0.99
PBDIT/Interest	Times	3.72	3.53	4.22
Total Debt/PBDII	Times	2.99	2.66	1.92

Gross Current Assets (Days)	Days	77	57	52
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#### Status of non-cooperation with previous CRA (if applicable)

None

#### Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

#### Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
12-Dec-2017	Open Cash Credit	Long Term	3.00	ACUITE BB/Stable (Assigned)
	Term Loan-I	Long Term	0.08	ACUITE BB/Stable (Assigned)
	Term Loan-I	Long Term	0.72	ACUITE BB/Stable (Assigned)
	Term Loan-I	Long Term	0.52	ACUITE BB/Stable (Assigned)
	Term Loan-I	Long Term	1.28	ACUITE BB/Stable (Assigned)

#### #Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE BB Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	0.08	ACUITE BB Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	0.72	ACUITE BB Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	0.52	ACUITE BB Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	1.28	ACUITE BB Issuer not co-operating*

\*The issuer did not co-operate; Based on best available information.

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**About Acuité Ratings & Research:**

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