



**Press Release**  
**SHRINATH COTFA B**  
**June 30, 2023**

**Rating Reaffirmed and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	20.00	ACUITE B   Reaffirmed   Issuer not co-operating*	-
Bank Loan Ratings	1.50	-	ACUITE A4   Reaffirmed   Issuer not co-operating*
<b>Total Outstanding Quantum (Rs. Cr)</b>	21.50	-	-

**Rating Rationale**

Acuité has reaffirmed the long-term rating of '**ACUITE B**' (read as **ACUITE B**) and the short term rating of '**ACUITE A4**' (Read as **ACUITE A four**) on the Rs. 21.50 crore bank facilities of Shrinath Cotfab (SC). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

**About the Company**

Shrinath Cotfab (SC), a partnership firm, incorporated in the year 2013, is engaged in manufacturing of digital printed terry towels with new technically automated Airjet rapier looms. The promoters of the firm Mr. Amit Chandak and Mr. Mahavirprasad Khandelwal have more than a decade of experience in the textile business. The firm has its manufacturing facility located in Solapur with an installed capacity of 6 tons per day of terry towel and is going to run at 80 per cent utilization.

**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 the due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

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

**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 endeavored 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

The rated entity has not shared the latest financial statements despite repeated requests.

### **Rating Sensitivity**

No information provided by the issuer / available for Acuite to comment upon.

### **Material Covenants**

Not Applicable

### **Liquidity Position**

No information provided by the issuer / available for Acuite to comment upon.

### **Outlook**

Not Applicable

### **Other Factors affecting Rating**

Not Applicable

### **Status of non-cooperation with previous CRA**

Not Applicable

### **Any other information**

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

### **Applicable Criteria**

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

### **Note on Complexity Levels of the Rated Instrument**

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
14 Apr 2022	Cash Credit	Long Term	5.00	ACUITE B (Issuer not co-operating*)
	Term Loan	Long Term	15.00	ACUITE B (Issuer not co-operating*)
	Bank Guarantee	Short Term	1.50	ACUITE A4 (Issuer not co-operating*)
13 Jan 2021	Term Loan	Long Term	15.00	ACUITE B (Issuer not co-operating*)
	Cash Credit	Long Term	5.00	ACUITE B (Issuer not co-operating*)
	Bank Guarantee	Short Term	1.50	ACUITE A4 (Issuer not co-operating*)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Canara Bank	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	1.50	ACUITE A4   Reaffirmed   Issuer not co-operating*
Canara Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	5.00	ACUITE B   Reaffirmed   Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	31 Mar 2026	Simple	15.00	ACUITE B   Reaffirmed   Issuer not co-operating*

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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