



Press Release

Shristi Cotspin Private Limited
January 05, 2024

Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	64.32	ACUITE BB+ Reaffirmed Issuer not co-operating*	-
Bank Loan Ratings	28.93	-	ACUITE A4+ Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	93.25	-	-

Rating Rationale

Acuite has reaffirmed its long term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) and has reaffirmed its short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.93.25 Crore bank facilities of Shristi Cotspin Private Limited (SCPL). This rating is now an indicative rating and is based on the best available information. The downgrade is on account of information risk.

About the Company

Shristi Cotspin Private Limited (SCPL), a Coimbatore based company incorporated in 1995, is engaged in manufacturing of cotton yarn and fabrics. The promoters of the company were previously engaged in trading of hosiery yarn from 1970. The company has 16,800 spindles and 720 rotors and produces yarn of count ranging from 30's to 50's.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower

Acuite has been requesting for No Default Statements (NDS); however, despite multiple requests; the Company's management has remained non-cooperative and not submitted the NDS for the preceding 03 consecutive months. Acuite has also 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. Acuite believes that information risk is a critical component in such ratings, and noncooperation 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 Acuite'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). Acuite has endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

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

All Covenants (Applicable only for CE & SO Rating)
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

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	347.57	103.62
PAT	Rs. Cr.	15.47	3.66
PAT Margin	(%)	4.45	3.54
Total Debt/Tangible Net Worth	Times	2.45	1.88
PBDIT/Interest	Times	7.28	4.41

Status of non-cooperation with previous CRA

Not Applicable

Any other information

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

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
11 Nov 2022	Term Loan	Long Term	11.50	ACUITE BB+ Stable (Assigned)
	Packing Credit	Short Term	5.00	ACUITE A4+ (Reaffirmed)
	Proposed Long Term Loan	Long Term	2.00	ACUITE BB+ Stable (Reaffirmed)
	Secured Overdraft	Long Term	6.00	ACUITE BB+ Stable (Reaffirmed)
	Term Loan	Long Term	2.73	ACUITE BB+ Stable (Reaffirmed)
	Term Loan	Long Term	13.00	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	12.09	ACUITE BB+ Stable (Assigned)
	Cash Credit	Long Term	17.00	ACUITE BB+ Stable (Assigned)
	FBN/FBP/FBD/PSFC/FBE	Short Term	9.00	ACUITE A4+ (Reaffirmed)
	FBN/FBP/FBD/PSFC/FBE	Short Term	10.00	ACUITE A4+ (Assigned)
	FBN/FBP/FBD/PSFC/FBE	Short Term	4.93	ACUITE A4+ (Reaffirmed)
16 Aug 2021	Bank Guarantee	Short Term	0.30	ACUITE A4+ (Withdrawn)
	Bank Guarantee	Short Term	0.10	ACUITE A4+ (Withdrawn)
	Term Loan	Long Term	0.61	ACUITE BB+ (Upgraded and Withdrawn)
	Term Loan	Long Term	2.73	ACUITE BB+ Stable (Upgraded from ACUITE BB Stable)
	FBN/FBP/FBD/PSFC/FBE	Short Term	4.93	ACUITE A4+ (Reaffirmed)
	FBN/FBP/FBD/PSFC/FBE	Short Term	9.00	ACUITE A4+ (Reaffirmed)
	FBN/FBP/FBD/PSFC/FBE	Long Term	6.00	ACUITE BB+ Stable (Upgraded from ACUITE BB Stable)
	Packing Credit	Short Term	2.00	ACUITE A4+ (Reaffirmed)
	Packing Credit	Short Term	5.00	ACUITE A4+ (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
HDFC Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	17.00	ACUITE BB+ Reaffirmed Issuer not co-operating*
HDFC Bank Ltd	Not Applicable	FBN/FBP/FBD/PSFC/FBE	Not Applicable	Not Applicable	Not Applicable	Simple	10.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
Union Bank of India	Not Applicable	FBN/FBP/FBD/PSFC/FBE	Not Applicable	Not Applicable	Not Applicable	Simple	9.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
Union Bank of India	Not Applicable	FBN/FBP/FBD/PSFC/FBE	Not Applicable	Not Applicable	Not Applicable	Simple	4.93	ACUITE A4+ Reaffirmed Issuer not co-operating*
Catholic Syrian Bank	Not Applicable	PC/PCFC	Not Applicable	Not Applicable	Not Applicable	Simple	5.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	Simple	2.00	ACUITE BB+ Reaffirmed Issuer not co-operating*
Catholic Syrian Bank	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	6.00	ACUITE BB+ Reaffirmed Issuer not co-operating*
Union Bank of India	Not Applicable	Term Loan	03 Jul 2017	10.30	30 Sep 2023	Simple	2.73	ACUITE BB+ Reaffirmed Issuer not co-operating*
HDFC Bank Ltd	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	11.50	ACUITE BB+ Reaffirmed Issuer not co-

								operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	13.00	ACUITE BB+ Reaffirmed Issuer not co-operating*
Union Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	12.09	ACUITE BB+ 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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