

Press Release

Cotton Buds Inc

November 14, 2019

Rating Update



Total Bank Facilities Rated	Rs. 5.45 Cr. #
Long Term Rating	ACUITE B- (Downgraded from ACUITE B) Issuer not co-operating*
Short Term Rating	ACUITE A4 Issuer not co-operating*

Refer Annexure for details

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

Acuité has reviewed and downgraded the long term rating to '**ACUITE B-**' (read as **ACUITE B minus**) from '**ACUITE B**' (read as **ACUITE B**) and short term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs. 5.45 crore bank facilities of Cotton Buds Inc (CBI). The rating downgraded is on account of information risk, now an indicative rating and is based on best available information.

Located in Tirupur (Tamil Nadu), Cotton Buds Inc (CBI) is engaged in manufacture of Ready Made Garments such as T-shirt, pants, payjamas among others for men women and kids. It exports 100 percent of its products to European and American market.

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/view-rating-criteria-17.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.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

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

Status of non-cooperation with previous CRA (if applicable)

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.

Rating Sensitivity:

Not Applicable

Material Covenants:

Not Applicable

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
07-Sept-2018	PC/PCFC	Short Term	2.50	ACUITE A4 (Assigned)
	Term Loans	Long Term	0.75	ACUITE B / Stable (Assigned)
	Proposed Bank Facility	Long Term	0.20	ACUITE B / Stable (Assigned)
	Bills Discounting	Short Term	2.00	ACUITE A4 (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
PC/PCFC	Not Applicable	Not Applicable	Not Applicable	2.50	ACUITE A4 Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	0.75	ACUITE B- (Downgraded from ACUITE B) Issuer not co-operating*
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	0.20	ACUITE B- (Downgraded from ACUITE B) Issuer not co-operating*
Bills Discounting	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE A4 Issuer not co-operating*

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

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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