

Press Release

Chenduran Cotspin India Private Limited

December 16, 2019

Rating Update



Total Bank Facilities Rated*	Rs. 42.00 crore#
Long Term Rating	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Short Term Rating	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*

Refer Annexure for details

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

Acuite has downgraded the long term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on the Rs. 41.00 crore bank facilities and short term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3**' (**ACUITE A three**) on the Rs. 1.00 crore bank facilities of Chenduran Cotspin India Private Limited (CIPL).

The rating downgrade is on account of information risk and indicative based on best available information.

CIPL was incorporated in 199 by Mr. P. Govindasamy. Subsequently, his sons, Mr. K. G. Senthil Kumar, Mr. P. G. Ramesh and Mr. P. G. Balaji joined the business. Its spinning units are located in Dindigul (Tamil Nadu)

Non-cooperation by the issuer/borrower

Acuite 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.

Acuite 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.

Applicable Criteria

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

About the Rated Entity - Key Financials

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

Any other information

None

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
05-Oct-2018	Cash Credit	Long Term	30.00	ACUITE BBB-/ Stable (Assigned)
	Bill Discounting	Short Term	1.00	ACUITE A3 (Assigned)
	Term Loan	Long Term	1.55	ACUITE BBB-/ Stable (Assigned)
	Proposed Bank Facility	Long Term	9.45	ACUITE BBB-/ 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	30.00	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Bill Discounting	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	1.55	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	9.45	ACUITE BB+ (Downgraded from ACUITE BBB-) 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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