

Press Release

Chenduran Cotspin India Private Limited

May 10, 2021



Rating Update

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

Refer Annexure for details

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

Rating Rationale

Acuité has downgraded the long term rating of Chenduran Cotspin India Private Limited (CCIPL) to '**ACUITE BB+**' (**read as ACUITE Double B plus**) from **ACUITE BBB-** (**read as Acuite Triple B Minus**) and short term rating to '**ACUITE A4+**' (**read as ACUITE A Four plus**) from **ACUITE A3** (**read as Acuite A Three**) on the Rs. 42.00 cr bank facilities. The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

Chenduran Cotspin India Private Limited (CCIPL) was incorporated as a Private Limited company in 1991. The company was started by Mr. P. Govindasamy who has an experience of over three decades in the textile industry. The day to day operations are managed by his sons K. G. Senthil Kumar, Mr. P. G. Ramesh and Mr. P. G. Balaji who are on the board of the company. CCIPL is engaged in manufacturing of cotton and polyester yarn blend with counts ranging from 20s to 60s. The company's spinning unit is located in Dindigul, Tamilnadu and operates with an installed capacity of 34,656 spindles. The company has installed wind mills with capacity of 4.9 MW as on December 31, 2019.

Analytical Approach

Acuité has considered the consolidated business and financial risk profile of Chenduran Cotspin India Private Limited and Elkaypee Spinners Private Limited (hereinafter referred to as 'The Chenduran group') as both the entities are engaged in same line of business, common promoters and management. Extent of Consolidation: Full

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.

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

Applicable Criteria

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

Liquidity Indicators - "No information provided by the issuer / available for Acuite to comment upon."

Rating Sensitivity - "No information provided by the issuer / available for Acuite to comment upon."

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)

CCIPL's rating was further downgraded and remained in 'ISSUER NON COOPERATING' status with CRISIL, through its rating rationale dated April 17, 2020. The reason provided by CRISIL is non-furnishing of information by CCIPL.

Any other information

Acuité is in receipt of the latest No Default Statement (NDS) from the rated entity.

Any Material Covenants

None

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
13-Feb-2020	Cash Credit	Long Term	30.00	ACUITE BBB-/Stable (Upgraded)
	Bill Discounting	Short Term	1.00	ACUITE A3 (Reaffirmed)
	Term Loan	Long Term	1.39	ACUITE BBB-/Stable (Upgraded)
	Proposed Bank Facility	Long Term	9.41	ACUITE BBB-/Stable (Upgraded)
	Bank Guarantee	Short Term	0.20	ACUITE A3 (Upgraded)
16-Dec-2019	Cash Credit	Long Term	30.00	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
	Bill Discounting	Short Term	1.00	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*
	Term Loan	Long Term	1.55	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
	Proposed Bank Facility	Long Term	9.45	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
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)

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***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	30.00	ACUITE BB+ (Downgraded from ACUITE BBB-/ Stable) Issuer not co-operating*
Bill Discounting	Not Available	Not Available	Not Available	1.00	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*
Term Loan	Not Available	Not Available	Not Available	1.39	ACUITE BB+ (Downgraded from ACUITE BBB-/ Stable) Issuer not co-operating*
Proposed Bank Facility	Not Available	Not Available	Not Available	9.41	ACUITE BB+ (Downgraded from ACUITE BBB-/ Stable) Issuer not co-operating*
Bank Guarantee	Not Available	Not Available	Not Available	0.20	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*

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

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About Acuite Ratings & Research:

Acuite Ratings & Research 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 8,000 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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