

Press Release

Elkaypee Spinners Private Limited

May 10, 2021

Rating Update



Total Bank Facilities Rated*	Rs. 13.00 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

Acuite has downgraded the long term rating of Elkaypee Spinners Private Limited (ESPL) 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. 13.00 cr bank facilities. The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

Elkaypee Spinners Private Limited (ESPL) was incorporated as a private limited company in 1993. The company was started by Mr. P. Govindasamy who is having experience of over three decades in the textile industry. The day to day operations are managed by his sons K. G. Senthil Kumar P. G. Ramesh and Mr. P. G. Balaji who are on the board of the company. CIPL 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 31,728 spindles.

Analytical Approach

Acuite 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 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

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 the due date.

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

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)

None

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
12-Feb-2020	Cash Credit	Long Term	8.50	ACUITE BBB-/Stable (Upgraded)
	Overdraft	Long Term	1.60	ACUITE BBB-/Stable (Upgraded)
	Letter of Credit	Short Term	2.44	ACUITE A3 (Upgraded)
	Bank Guarantee	Short Term	0.46	ACUITE A3 (Assigned)
16-Dec-2019	Cash Credit	Long Term	6.00	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
	Overdraft	Long Term	1.60	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
	Proposed Bank Facility	Long Term	4.71	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
	Letter of Credit	Short Term	0.69	ACUITE A4+ (Downgraded from ACUITE A3 Issuer not co-operating*
05-Oct-2018	Cash Credit	Long Term	6.00	ACUITE BBB-/Stable (Assigned)
	Overdraft	Long Term	1.60	ACUITE BBB-/Stable (Assigned)
	Proposed Bank Facility	Long Term	4.71	ACUITE BBB-/Stable (Assigned)
	Letter of Credit	Short Term	0.69	ACUITE A3 (Assigned)

*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	8.50	ACUITE BB+ (Downgraded from ACUITE BBB-/Stable) Issuer not co-operating*
Overdraft	Not Available	Not Available	Not Available	1.60	ACUITE BB+ (Downgraded from ACUITE BBB-/Stable) Issuer not co-operating*
Letter of Credit	Not Available	Not Available	Not Available	2.44	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*
Bank Guarantee	Not Available	Not Available	Not Available	0.46	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*

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

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President – Corporate Ratings Tel: 022-49294041 aditya.gupta@acuите.in Neha Agarwal Assistant Manager - Rating Operations Tel: 040-4004 2327 neha.agarwal@acuите.in	Varsha Bist Senior Manager - Rating Desk Tel: 022-49294011 rating.desk@acuите.in

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.

Disclaimer: An Acuite rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuite ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuite, in particular,

makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuite is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuite ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuite.

