



Press Release
Elkaypee Spinners Private Limited
January 07, 2025
Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	17.22	ACUITE BB Reaffirmed Issuer not co-operating*	-
Bank Loan Ratings	3.78	-	ACUITE A4+ Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	21.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

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

Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITE BB**' (read as **ACUITE Double Ba**) and its short-term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.21.00 Cr. bank facilities of Elkaypee Spinners Private Limited (ESPL). This rating is now an indicative rating as client has not submitted No Default Statement (NDS) for the past 3 months. This rating is now flagged as Issuer not cooperating on account of information risk and is based on best available information.

About the Company

Elkaypee Spinners Private Limited (ESPL) was incorporated as a private limited company in 1993. The manufacturing facility is located in Dindigul (Tamil Nadu) with installed capacity of 38000 spindles, manufacturing Polyester yarn blend. The same is supplied to textiles located in Chennai and Kolkata. The directors of the company are Mr. Lakshmi Govindasamy Ponuswamy Gounder, Mr. Govindaswamy Ponnuswamy gounder, Mr. Kandaswamy Govindasamy Senthilkumar.

About the Group

Chenduran Cotspin India Private Limited (CC IPL) was incorporated as a private limited company in 1991 by Mr. P. Govindasamy who is having an experience of over three decades in the textile industry. The company is managed by his sons K. G. Senthil Kumar P. G. Ramesh and Mr. P. G. Balaji joined the business. The company is Chennai based and has manufacturing facility located in Tiruppur district with installed capacity of 34000 spindles, manufacturing cotton yarn and polyester yarn blend. The client profile of the company is located in Mumbai, Chennai and Kolkata.

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 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). Acuité has 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.

Rating Sensitivities

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

Liquidity Position

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

Outlook: Not applicable**Other Factors affecting Rating**

None

Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	135.79	189.75
PAT	Rs. Cr.	0.52	1.55
PAT Margin	(%)	0.39	0.82
Total Debt/Tangible Net Worth	Times	2.65	0.84
PBDIT/Interest	Times	2.09	2.91

Status of non-cooperation with previous CRA

Not applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.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. Acuité'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
06 May 2024	Letter of Credit	Short Term	3.50	ACUITE A4+ (Downgraded from ACUITE A3)
	Proposed Short Term Bank Facility	Short Term	0.28	ACUITE A4+ (Downgraded from ACUITE A3)
	Dropline Overdraft	Long Term	2.14	ACUITE BB Stable (Downgraded (Negative to Stable) from ACUITE BBB- Negative)
	Proposed Long Term Loan	Long Term	4.97	ACUITE BB Stable (Downgraded (Negative to Stable) from ACUITE BBB- Negative)
	Working Capital Term Loan	Long Term	1.00	ACUITE BB Stable (Downgraded (Negative to Stable) from ACUITE BBB- Negative)
	Term Loan	Long Term	3.28	ACUITE BB Stable (Downgraded (Negative to Stable) from ACUITE BBB- Negative)
	Term Loan	Long Term	0.62	ACUITE BB Stable (Downgraded (Negative to Stable) from ACUITE BBB- Negative)
	Term Loan	Long Term	0.18	ACUITE BB Stable (Downgraded (Negative to Stable) from ACUITE BBB- Negative)
	Cash Credit	Long Term	5.00	ACUITE BB Stable (Downgraded (Negative to Stable) from ACUITE BBB- Negative)
	Term Loan	Long Term	0.03	ACUITE BB Stable (Downgraded (Negative to Stable) from ACUITE BBB- Negative)
06 Feb 2023	Letter of Credit	Short Term	3.50	ACUITE A3 (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	0.28	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB- Negative (Reaffirmed)
	Dropline Overdraft	Long Term	3.33	ACUITE BBB- Negative (Reaffirmed)
	Working Capital Term Loan	Long Term	1.89	ACUITE BBB- Negative (Reaffirmed)
	Term Loan	Long Term	4.37	ACUITE BBB- Negative (Assigned)
	Term Loan	Long Term	0.93	ACUITE BBB- Negative (Assigned)
	Term Loan	Long Term	0.49	ACUITE BBB- Negative (Assigned)
	Term Loan	Long Term	0.44	ACUITE BBB- Negative (Assigned)
	Term Loan	Long Term	0.24	ACUITE BBB- Negative (Assigned)
	Proposed Long Term Loan	Long Term	0.53	ACUITE BBB- Negative (Assigned)
14 Jan 2022	Letter of Credit	Short Term	2.90	ACUITE A3 (Upgraded from ACUITE A4+)
	Letter of Credit	Short Term	0.60	ACUITE A3 (Assigned)
	Proposed Short Term Bank Facility	Short Term	0.04	ACUITE A3 (Assigned)
	Cash Credit	Long Term	5.00	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
	Working Capital Term Loan	Long Term	1.46	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
	Dropline Overdraft	Long Term	3.64	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
	Dropline Overdraft	Long Term	0.36	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
CSB Bank Limited	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BB Reaffirmed Issuer not co-operating*
CSB Bank Limited	Not avl. / Not appl.	Dropline Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.14	Simple	ACUITE BB Reaffirmed Issuer not co-operating*
CSB Bank Limited	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.50	Simple	ACUITE A4+ Reaffirmed Issuer not co-operating*
Not Applicable	Not avl. / Not appl.	Proposed Long Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.97	Simple	ACUITE BB Reaffirmed Issuer not co-operating*
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.28	Simple	ACUITE A4+ Reaffirmed Issuer not co-operating*
CSB Bank Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	15 Dec 2027	3.28	Simple	ACUITE BB Reaffirmed Issuer not co-operating*
CSB Bank Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	04 Nov 2026	0.62	Simple	ACUITE BB Reaffirmed Issuer not co-operating*
Small Industries Development Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	10 Feb 2025	0.18	Simple	ACUITE BB Reaffirmed Issuer not co-operating*
Small Industries Development Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	10 May 2024	0.03	Simple	ACUITE BB Reaffirmed Issuer not co-operating*
CSB Bank Limited	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Nov 2027	1.00	Simple	ACUITE BB Reaffirmed Issuer not co-operating*

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

*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr. No.	Company name
1	Elkaypee Spinners Private Limited
2	Chenduran Cotspin India Private Limited

Contacts

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About Acuité Ratings & Research

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