



Press Release
BHUVANESWARI COTSPIN INDIA PRIVATE LIMITED
September 20, 2023

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	61.35	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	0.65	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	62.00	-	-

Rating Rationale

Acuite has downgraded its long term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) & short term rating to **ACUITE A4+** (read as **ACUITE A four plus**) on the Rs 62.00 crore bank facilities of Bhuvanewari Cotspin India Private Limited. This rating is now an indicative rating and is based on best available information. The rating has been downgraded on account of information risk.

About the Company

BCPL is a Tamil Nadu based private limited company incorporated in 2003. The company is engaged in manufacturing of cotton and blended yarn and fabric. The company is promoted by Mr. Loganathan. The company is also supported by second generation, Mr. Paramesh Kumar and Mr. Subramaniam. BCPL caters to various segments of the textile industry.

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. Acuite believes that information risk is 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). 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 ratings are based.

Rating Sensitivities

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

All Covenants

Not Applicable

Liquidity Position

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

Not Applicable

Other Factors affecting Rating

Not Applicable

Key Financials

Particulars	Unit	FY 22 (Provisional)	FY 21 (Actual)
Operating Income	Rs. Cr.	355.81	216.80
PAT	Rs. Cr.	14.91	8.43
PAT Margin	(%)	4.19	3.89
Total Debt/Tangible Net Worth	Times	0.80	1.05
PBDIT/Interest	Times	5.79	4.30

Status of non-cooperation with previous CRA

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.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.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
13 Jul 2022	Term Loan	Long Term	4.35	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	3.75	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	17.00	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	11.70	ACUITE BBB Stable (Reaffirmed)
	Bank Guarantee	Short Term	0.65	ACUITE A3+ (Reaffirmed)
	Secured Overdraft	Long Term	13.00	ACUITE BBB Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	7.50	ACUITE BBB Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	4.05	ACUITE BBB Stable (Reaffirmed)
07 May 2021	Term Loan	Long Term	3.75	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Cash Credit	Long Term	17.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	4.35	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Proposed Bank Facility	Long Term	4.05	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Secured Overdraft	Long Term	13.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	11.70	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Bank Guarantee	Short Term	0.65	ACUITE A3+ (Upgraded from ACUITE A3)
	Working Capital Term Loan	Long Term	7.50	ACUITE BBB Stable (Assigned)
19 Mar 2020	Cash Credit	Long Term	22.00	ACUITE BBB- Stable (Reaffirmed)
	Secured Overdraft	Long Term	18.00	ACUITE BBB- Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	3.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	13.00	ACUITE BBB- Stable (Reaffirmed)
	Bank Guarantee	Long Term	5.00	ACUITE A3 (Reaffirmed)
	Proposed Bank Facility	Long Term	12.00	ACUITE BBB- Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Karur Vysya Bank	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	0.65	ACUITE A4+ Downgraded Issuer not co-operating*
Karur Vysya Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	17.00	ACUITE BB+ Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	4.05	ACUITE BB+ Downgraded Issuer not co-operating*
Karnataka Bank Ltd	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	13.00	ACUITE BB+ Downgraded Issuer not co-operating*
Karnataka Bank Ltd	Not Applicable	Term Loan	01 Jul 2016	11.65	30 Jun 2022	Simple	3.75	ACUITE BB+ Downgraded Issuer not co-operating*
Karnataka Bank Ltd	Not Applicable	Term Loan	01 Mar 2019	10.5	28 Feb 2026	Simple	11.70	ACUITE BB+ Downgraded Issuer not co-operating*
Karur Vysya Bank	Not Applicable	Term Loan	01 Sep 2016	10.80	31 Aug 2023	Simple	4.35	ACUITE BB+ Downgraded Issuer not co-operating*
Karnataka Bank Ltd	Not Applicable	Working Capital Term Loan	03 Feb 2021	8.50	31 May 2024	Simple	7.50	ACUITE BB+ Downgraded Issuer not co-operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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