



Press Release

4S Spintex India Private Limited [4SSIPL]

February 02, 2021

Ratings

Instrument / Facility	Amount (INR Crore)	Rating	Rating Action
Long Term Facility – Fund Based – Term Loan	10.17	IVR B+: Issuer Not Co-operating(IVR Single B Plus ; Issuer Not Co-operating)*	Revised from IVR BB-/Stable [IVR Double B Minus with Stable Outlook] and moved to ISSUER NOT COOPERATING Category
Long Term Facility Fund Based – Cash Credit	6.00	IVR B+: Issuer Not Co-operating(IVR Single B Plus ; Issuer Not Co-operating)*	Revised from IVR BB-/Stable [IVR Double B Minus with Stable Outlook] and moved to ISSUER NOT COOPERATING Category
Total	16.17		

**Issuer did not cooperate; based on best available information*

Details of Facility are in Annexure 1

Detailed Rationale

The rating downgrade is because of lack of adequate information regarding 4S Spintex India Private Limited and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide emails dated November 16, 2020, November 30, 2020 and December 23, 2020 and telephonic follow ups. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details and fees for surveillance exercise.



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Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long term ratings aggregating 16.17 crore of 4S Spintex India Private Limited shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR B+; Issuer Not Co-operating; based on best available information (IVR Single B Plus; Issuer Not Co-operating, ; based on best available information). Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

Analytical Approach & Applicable Criteria

Standalone

Rating Methodology for Manufacturing Companies

Financial Ratios & Interpretation – (Non-financial Sector)

Guidelines on what constitutes Non-Cooperation by clients

About the Company

4S Spintex India Private Limited (4SSIPL) was incorporated in August 2012 and it has set up a manufacturing unit of yarned cotton with an installed capacity 8160 spindles of 32 counts in Jaggaiahpet Mandal, Krishna District, Andhra Pradesh. The company has successfully completed the project without any cost and time overrun and started its commercial operations from August 01, 2016. 4SSIPL is promoted by Mr. D.V.V. Satyanarayana (Director) and Mr. K Purushotham (Managing Director). Promoters are having a combined experience of around two decades in the cotton industry.

Financials (Standalone)

(INR Crore)

For the year ended* / As on	31-03-18 (Audited)	31-03-19 (Audited)
Total Operating Income	30.34	37.05
EBITDA	3.40	1.91



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For the year ended* / As on	31-03-18 (Audited)	31-03-19 (Audited)
PAT	-0.32	-0.15
Total Debt	18.50	16.11
Tangible Net worth	9.91	11.78
EBIDTA Margin (%)	11.22	5.17
PAT Margin (%)	-1.06	-0.41
Overall Gearing ratio	1.87	1.37

*** Classification as per Infomerics' standards**

Status of non-cooperation with previous CRA: Care Ratings in its press release published on November 17, 2020 has classified the case under Issuer Not Cooperating status on account of non-submission of relevant information

India Ratings & Research in its press release published on June 11, 2020 has classified the case under Issuer Not Cooperating status on account of non-submission of relevant information

Any other information: Nil

Rating History for last three years:

Name of Instrument/ Facility	Current Rating (Year: 2020-21)			Rating History for the past 3 years		
	Type	Amount outstanding (INR Crore)	Rating	Rating assigned in 2019-20, (December 06, 2019)	Rating assigned in 2018- 19	Rating assigned in 2017- 18
Fund Based Facilities- Term Loan	Long Term	10.17	IVR B+/: Issuer Not Co-operating	IVR BB- /Stable Outlook	--	--
Fund Based- Cash Credit	Long Term	6.00	IVR B+/: Issuer Not Co-operating	IVR BB- /Stable Outlook	--	--
	Total	16.17				

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.



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Name and Contact Details of the Rating Analyst:

Name: Ms. Himani Singhal	Name: Mr. Amit Bhuwania
Tel: (022) 62396023	Tel: (022) 62396023
Email: hsinghal@infomerics.com	Email: abhuania@infomerics.com

About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Long Term Fund Based - Term Loan	--	--	Nov-25	10.17	IVR B+; ISSUER NOT COOPERATING*
Long Term Fund Based – Cash Credit	--	--	--	6.00	IVR B+; ISSUER NOT COOPERATING*

**Issuer did not cooperate; based on best available information*