

## Bhaarathi Spintex India Private Limited

September 15, 2022

### Ratings

Facilities/Instruments	Amount (Rs crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	41.17	CARE B; Stable; ISSUER NOT COOPERATING* (Single B; Outlook: Stable; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B+; Stable; (Single B Plus; Outlook: Stable)
Short Term Bank Facilities	1.36	CARE A4; ISSUER NOT COOPERATING* (A Four; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>42.53 (Rs Forty-Two Crore and Fifty- Three Lakhs Only)</b>		

Details of instruments/facilities in Annexure-1

#### Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated July 22, 2021, placed the rating(s) of Bhaarathi Spintex India Private Limited (BSIPL) under the 'issuer non-cooperating' category as BSIPL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. BSIPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated June 07, 2022, June 17, 2022, June 27, 2022.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

The ratings assigned to the bank facilities of BSIPL have been revised on account of non-availability of requisite information. The ratings further consider decline in operating income and overall profitability during FY21 over FY20.

#### Detailed description of the key rating drivers

Please refer to PR dated [July 22, 2021](#)

**Analytical approach:** Standalone

#### Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

#### About the Company

Bhaarathi Spintex India Ltd (BSIL) was incorporated in 2011. The company started full scale operations from September 2012, after the completion and stabilization of the plant at Pallipalayam, Erode. The company is involved in the manufacture of Viscose yarn. The Company has recently commissioned a state-of-the-art spinning mill in Pallipalayam with about 300 employees. It has about 21600 spindles at a total manufacturing capacity of 13000-14000 kg's of yarn per day. The company was indulged in manufacturing of both Cotton yarn as well as a small proportion of Viscose yarn till January 2015. Since, February 2015, the company has started concentrating only in the manufacture of viscose yarn in cone form. The counts are 15s, 18s, 30s, 40s, 42s, 34s yarn. The Company supplies yarn to the weavers and the job workers located in the vicinity of the company. On March 09, 2016, BSIL was converted into a private limited company and changed its name to Bhaarathi Spintex India Private Limited (BSIPL).

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

Brief Financials (Rs. crore)	FY20 (A)	FY21 (A)	FY22 (Prov.)	Q1FY23 (Prov.)
Total operating income	129.93	97.12	NA	NA
PBILDT	10.83	10.48	NA	NA
PAT	0.98	0.84	NA	NA
Overall gearing (times)	1.17	1.16	NA	NA
Interest coverage (times)	2.29	2.51	NA	NA

A: Audited; Prov.: Provisional; NA: Not Available

**Status of non-cooperation with previous CRA:** India Ratings has continued the rating assigned to the bank facilities of BSIPL into Issuer Not Cooperating category vide press release dated 28 July, 2022 on account of its inability to carry out a review in the absence of the requisite information from the company.

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

**Covenants of rated instrument/facility:** Annexure-3

**Complexity level of various instruments rated for this company:** Annexure-4

#### Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	May 2025	21.92	CARE B; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	19.25	CARE B; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	1.01	CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - ST-Forward Contract		-	-	-	0.35	CARE A4; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; Based on best available information

**Annexure-2: Rating History of last three years**

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	21.92	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (22-Jul-21)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (19-May-20)	-
2	Fund-based - LT-Cash Credit	LT	19.25	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (22-Jul-21)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (19-May-20)	-
3	Non-fund-based - ST-Bank Guarantee	ST	1.01	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (22-Jul-21)	1)CARE A4; ISSUER NOT COOPERATING* (19-May-20)	-
4	Non-fund-based - ST-Forward Contract	ST	0.35	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (22-Jul-21)	1)CARE A4; ISSUER NOT COOPERATING* (19-May-20)	-

\*Issuer did not cooperate; Based on best available information

**Annexure 3: Detailed explanation of the covenants of the rated instruments/facilities:** Not Applicable**Annexure 4: Complexity level of various instruments rated for this company**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple
4	Non-fund-based - ST-Forward Contract	Simple

**Annexure 5: Bank Lender Details for this company**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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**About CARE Ratings Limited:**

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