

Shri Parshvanath Printex Private Limited

February 26, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	27.90	CARE B; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE B+; Stable and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

CARE Ratings Ltd. has been seeking information from Shri Parshvanath Printex Private Limited (SPPL) to monitor the rating vide e-mail communications dated January 06, 2025, February 11, 2025, among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings.

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. The rating on SPPL's bank facilities will now be denoted as **CARE B; Stable; ISSUER NOT COOPERATING***.

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

The ratings have been revised on account of non-availability of requisite information due to non-cooperation by SPPL with CARE's efforts to undertake a review of the outstanding ratings as CARE views information availability risk as key factor in its assessment of credit risk profile.

The rating assigned to the bank facilities of SPPL is constrained by the small scale of operations, weak capital structure and debt protection indicators, elongated operating cycle and presence in highly fragmented industry. The rating however derives strength from extensive experience of the promoters, long track record of operations and diversified customer base.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on March 21, 2024, the following were the rating strengths and weaknesses (updated for the information available from Registrar of Companies).

Key Weaknesses

Small scale of operations: The company is primarily engaged in trading of dyed and printed fabrics. The scale of operations remains small and had declined to ₹41.41 crore in FY24 (refers to the period April 01 to March 31) against ₹65.06 crore in FY23. The decline in scale of operations pertains to the industry-wide slowdown of the textile industry.

Weak capital structure and debt coverage indicators: The company has a weak capital structure, marked by overall gearing of 3.67x as on March 31, 2024, compared to 4.00x as on March 31, 2023. The debt coverage indicator also stood weak marked by Total Debt/ Gross Cash Accruals (GCA) of 90.08x as on March 31, 2024, compared to 69.07x as on March 31, 2023, due to thin accruals.

Highly fragmented, competitive nature of industry: SPPL operated in a highly cyclical and fragmented textile trading industry marked by presence of various organized and unorganized and certain large players. Intense competition in the industry limits the pricing abilities of the players operating in the industry. The profit before interest, lease rentals, depreciation and taxation (PBILDT) margin has been volatile in the range of 3.56% to 7.34% over the past four years ended FY24 due to competition and volatile raw material costs.

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Key Strengths

Vast experience of the promoters in the segment with long track record of operations: SPPL was established by as a private limited in 1999 by Gautam Chand Jain, Sampat Raj, Rajendra Kumar, and Abhishek Kumar. Gautam Chand, the chairman of SPPL had previously started a sole proprietorship entity named Parshvanath Sales Corporation in 1985 and converted the same into private limited company in 1999. The day-to-day operations of the company is managed by Sampat Raj, brother of Gautam Chand. The extensive experience of the promoters helps the company to maintain a strong customer base over the years.

Long standing relationship with customers and diversified customer profile: The company aided by the experience of the promoters maintain a strong customer base with customers majorly based out in Tamil Nadu, Kerala, and Karnataka. The top ten customers of the company accounted for 51% of the total sales made in FY23 (FY22: 51%).

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Policy in respect of non-cooperation by issuers](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Wholesale Trading](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Textiles	Textiles & Apparels	Trading - Textile Products

SPPL is a closely held company and was incorporated in 1985 as a sole proprietorship firm in the name of Parshvanath Sales Corporation and converted into a private limited under current nomenclature in 1999. The company is based out in Coimbatore and is involved in trading of dyed and printed fabrics. The day-to-day operations of the company are managed by Sampat Raj, Managing Director.

Brief Financials (Rs. crore)	March 31, 2022 (A)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	76.39	65.06	41.41
PBILDT	3.26	3.32	3.04
PAT	0.33	0.28	0.17
Overall gearing (times)	4.29	4.00	3.67
Interest coverage (times)	1.25	1.20	1.13

A: Audited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	18.00	CARE B; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	September 2030	9.90	CARE B; Stable; ISSUER NOT COOPERATING*

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

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	9.90	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable (21-Mar-24)	-	-
2	Fund-based - LT-Cash Credit	LT	18.00	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable (21-Mar-24)	-	-

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

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

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

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

Contact us

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About us:

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