

Coarser Spinning Private Limited

March 26, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	51.50	CARE B+; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB-; Stable and moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	13.50	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*	LT rating downgraded from CARE BB-; Stable and ST rating reaffirmed 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 Coarser Spinning Private Limited (CSPL) to monitor the rating vide e-mail communications January 10, 2025, February 10, 2025, February 25, 2025, March 07, 2025, March 10, 2025, March 11, 2025, various telephonic interactions on the above subject and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the rating.

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 CSPL's bank facilities will now be denoted as '**CARE B+; Stable/ CARE A4; 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 ratings.

The ratings have been revised on account of non-availability of requisite information to conduct the review. The ratings assigned to the bank facilities of Coarser Spinning Private Limited (CSPL) are constrained on account of its leveraged capital structure due to recently completed debt funded capex, susceptibility of profitability to raw material prices and highly fragmented, competitive and cyclical nature of textile industry.

The ratings, however, derives strength from experienced partners and successful completion of capex and commencement of commercial operations.

Analytical approach: Standalone

Outlook: Stable

The 'Stable' outlook reflects CARE Ratings' expectation that the company shall continue to benefit from its experienced promoters

Detailed description of key rating drivers:

Key weaknesses

Leveraged capital structure

Capital Structure of CSPL continued to remain leveraged marked by an overall gearing of 2.78 times as on March 31, 2024 along with weak debt coverage indicators, mainly due to recently concluded debt funded capex.

Susceptibility of profitability to raw material prices

Cotton is the primary raw material used by CSPL for manufacturing of cotton yarn. The yarn manufacturing industry faces a significant challenge due to the inherent volatility in cotton prices, which directly affects its profitability.

Highly fragmented, competitive, and cyclical nature of industry

The textile industry is marked by a multitude of players operating across various segments, ranging from cotton cultivation, yarn production, fabric weaving, and garment manufacturing due to the presence of numerous small-scale enterprises alongside larger, more established companies. This industry's cyclical nature is closely tied to economic shifts and consumer preferences. It experiences fluctuations in demand due to changing fashion trends, global economic conditions, and evolving consumer behaviours.

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

Key strengths

Experienced Promoters

Mr. Nirav Patel, the key promoter of the company has overall business experience of more than 15 years and experience in the textile industry of more than 5 years. The other group companies managed by the promoters include Phenix Spinning Pvt Ltd. engaged in textile spinning business since past 10 years and Infosense Private Limited (IPL) engaged in ITES and software business. Further, IPL has given corporate guarantee for bank facilities of CSPL.

Successful completion of project and commencement of operations

CSPL's textile spinning manufacturing plant project was completed in January 2024 with the total cost of Rs. 99.23 crore funded through term loan of Rs. 48.79 crore and balance with promoters' contribution in the form of equity and unsecured loans. The commercial production started in February 2024. However, this is against the initial estimated project cost of Rs. 96.51 crore which was expected to be completed by August 2023. The cost overrun was entirely funded promoters' contribution. The delay in commercialisation of project was on account of delay in receipt of machineries.

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Cotton Textile](#)

About the company and industry

Industry classification

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

Coarser Spinning Private Limited (CSPL), incorporated in November 2021 and located at Lathi, Amreli, Gujarat has set up textile spinning plant with an installed capacity of 9181 MTPA for manufacturing of cotton yarn. The project was completed in January 2024 and commercial production started from February 2024.

Brief Financials (₹ crore)	March 31, 2024 (A)*
Total operating income	11.62
PBILDT	-0.34
PAT	-3.04
Overall gearing (times)	2.78
Interest coverage (times)	-0.34

A: Audited; Note: these are latest available financial results* FY24 was first year of operation with commercial production commencing from February 2024.

Status of non-cooperation with previous CRA: Crisil has placed the ratings of Coarser Spinning Private Limited under issuer non-cooperation category vide press release dated March 28, 2024, due to its inability to carry out a review in absence of requisite information.

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ ST-Cash Credit		-	-	-	10.00	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	3.50	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*
Term Loan-Long Term		-	-	31-07-2031	51.50	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	Term Loan-Long Term	LT	51.50	CARE B+; Stable; ISSUER NOT COOPERATING*	1)CARE BB-; Stable (02-Apr-24)	-	-	-
2	Fund-based - LT/ ST-Cash Credit	LT/ST	10.00	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*	1)CARE BB-; Stable / CARE A4 (02-Apr-24)	-	-	-
3	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	3.50	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*	1)CARE BB-; Stable / CARE A4 (02-Apr-24)	-	-	-

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

LT: Long term; ST: Short term; LT/ST: Long term/Short 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/ ST-Cash Credit	Simple
2	Non-fund-based - LT/ ST-Bank Guarantee	Simple
3	Term Loan-Long Term	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

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in Relationship Contact Ankur Sachdeva Senior Director CARE Ratings Limited Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in	Analytical Contacts Kalpesh Ramanbhai Patel Director CARE Ratings Limited Phone: 079-40265611 E-mail: kalpesh.patel@careedge.in Anuja Parikh Associate Director CARE Ratings Limited Phone: 079-40265616 E-mail: anuja.parikh@careedge.in Ojasvi Mohta Analyst CARE Ratings Limited E-mail: ojasvi.mohta@careedge.in
---	---

About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

**For detailed Rationale Report and subscription information,
please visit www.careedge.in**