

Akshar Spintex Limited

April 02, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	16.92	CARE D; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	1.35	CARE D; ISSUER NOT COOPERATING*	Rating 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. (CARE Ratings) has been seeking information from Akshar Spintex limited (ASL) to monitor the ratings vide e-mail communications dated January 06, 2025, January 09, 2025, January 13, 2025, February 03, 2025, March 16, 2025, March 18, 2025, March 20, 2025 and March 27, 2025 amongst 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 has reviewed the rating on the basis of the best available information which however, in CARE Ratings' opinion is not sufficient to arrive at a fair rating. Further, ASL has not paid the surveillance fees for the rating exercise agreed to in its rating agreement. In line with the extant SEBI guidelines, CARE Ratings' rating on ASL's bank facilities will now be denoted as CARE D; 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(s).

Analytical approach: Standalone

Outlook: Not applicable

Detailed description of key rating drivers:

At the time of last rating on August 08, 2024, the following were the rating weaknesses considered.

The revision in the rating assigned to the facilities of Akshar Spintex Limited (ASL), takes into account instances of the delays in servicing debt obligations on account of poor liquidity position.

Key weaknesses

Delays in debt servicing

As per the bank statements received, there have been multiple instances of delays in debt servicing in the term loan account.

Liquidity: Poor

ASL has poor liquidity as marked by almost full fund-based working capital utilisation and low cash and bank balance resulting in delay in the debt servicing. Average and maximum utilization of fund-based limits remained 96% and 100% respectively during past 12 months ended June 2024.

Assumptions/Covenants: Not applicable

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

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Cotton Textile](#)

[Short Term Instruments](#)

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

About the company and industry

Industry classification

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

Jamnagar, Gujarat based, Akshar Spintex Limited (ASL) was incorporated as a private limited company in June 2013 by Mr. Amit Gadhiya and Mr. Ashok Bhalala. Then in December 2017, the company converted into a public limited company and got listed on BSE in the same year. ASL manufactures carded, combed and compact cotton yarn of finer quality ranging between 16s to 44s counts having 24,480 spindles with an installed capacity of 6,000 Metric Tons Per Annum (MTPA) as on March 31, 2024, and operates from its sole manufacturing facility located at Haripar, Jamnagar, Gujarat.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	9MFY25 (Prov.)
Total operating income	135.53	174.96	86.18
PBILDT	-0.45	7.75	-2.08
PAT	-2.76	3.46	-3.3
Overall gearing (times)	0.43	0.43	NA
Interest coverage (times)	-0.24	5.70	NM

A: Audited UA: Unaudited; Note: these are latest available financial results NM: Not Meaningful; NA Not Available

Status of non-cooperation with previous CRA: India Ratings has reviewed the ratings of ASL under 'Issuer Not Cooperating' category vide press release dated August 13, 2024, on account of its inability to carry out a review in the absence of the requisite information from the company.

Any other information: None

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-Cash Credit	-	-	-	-	7.50	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan	-	-	-	30/04/2023	5.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Working Capital Demand loan	-	-	-	-	4.42	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee	-	-	-	-	1.35	CARE D; 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-Cash Credit	LT	7.50	CARE D; ISSUER NOT COOPERATING*	1)CARE D (08-Aug-24)	1)CARE BB; Stable (09-Oct-23)	1)CARE BB; Stable (23-Nov-22) 2)CARE BB+; Stable (30-Aug-22)	1)CARE BB+; Stable (16-Aug-21)
2	Non-fund-based - ST-Bank Guarantee	ST	1.35	CARE D; ISSUER NOT COOPERATING*	1)CARE D (08-Aug-24)	1)CARE A4 (09-Oct-23)	1)CARE A4 (23-Nov-22) 2)CARE A4 (30-Aug-22)	1)CARE A4 (16-Aug-21)
3	Fund-based - LT-Term Loan	LT	5.00	CARE D; ISSUER NOT COOPERATING*	1)CARE D (08-Aug-24)	1)CARE BB; Stable (09-Oct-23)	1)CARE BB; Stable (23-Nov-22) 2)CARE BB+; Stable (30-Aug-22)	1)CARE BB+; Stable (16-Aug-21)
4	Fund-based - LT-Working Capital Demand loan	LT	4.42	CARE D; ISSUER NOT COOPERATING*	1)CARE D (08-Aug-24)	1)CARE BB; Stable (09-Oct-23)	1)CARE BB; Stable (23-Nov-22) 2)CARE BB+; Stable (30-Aug-22)	1)CARE BB+; Stable (16-Aug-21)

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

LT: Long term; ST: 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-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - LT-Working Capital Demand loan	Simple
4	Non-fund-based - ST-Bank Guarantee	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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