

## Shiva Speciality Yarns Limited

September 24, 2021

### Ratings

Facilities / Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	69.89	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	1.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Facilities</b>	<b>70.89</b> <b>(Rs. Seventy Crore and Eighty-Nine Lakhs Only)</b>		

Details of facilities in Annexure-1

### Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated August 20, 2020, placed the rating(s) of Shiva Speciality Yarns Limited (SSYL) under the 'issuer non-cooperating' category as SSYL 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. SSYL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated July 06, 2021, July 16, 2021, July 26, 2021.

In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE'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.**

### Detailed description of the key rating drivers

Please refer to PR dated [August 20, 2020](#)

**Analytical approach:** Standalone

### Applicable Criteria:

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

[Policy on default recognition](#)

### About the company

Shiva Speciality Yarns Limited (SSYL), formerly known as Punjab Cotspin Limited, was incorporated in 2005. The company was promoted by the Singla family of Ludhiana and was engaged in the manufacturing of cotton yarn at its production facilities in Bhatinda, Punjab. It was subsequently acquired by the 'Shiva' Group in November, 2007. The product profile was changed to include synthetic yarns. Currently, SSYL manufactures mainly dyed polyester spun yarn, blended spun yarn and knitted cloth. It also engages in trading of polyester fibres. Almost all the raw material procurement viz. polyester staple fibres and acrylic fibres is done from other group concerns.

Brief financials of SSYL are tabulated below:

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)
Total operating income	74.27	76.92
PBILDT	-23.84	-3.20
PAT	-29.17	-7.08
Overall gearing (times)	NM	NM
Interest coverage (times)	NM	NM

A – Audited, NM – Not Meaningful

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

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

**Status of non-cooperation with previous CRA:** Not Applicable

**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:** Please refer Annexure-4

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

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	September 2022	29.97	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit	-	-	-	39.92	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantees	-	-	-	1.00	CARE D; 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) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Fund-based - LT-Term Loan	LT	29.97	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (20-Aug-20)	1)CARE D; ISSUER NOT COOPERATING* (27-May-19)	-
2.	Fund-based - LT-Cash Credit	LT	39.92	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (20-Aug-20)	1)CARE D; ISSUER NOT COOPERATING* (27-May-19)	-
3.	Non-fund-based - ST-Bank Guarantees	ST	1.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (20-Aug-20)	1)CARE D; ISSUER NOT COOPERATING* (27-May-19)	-

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

**Annexure 3: Covenants of rated instrument/facility:** 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 Guarantees	Simple

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

## Contact us

### Media Contact

Mr. Mradul Mishra  
Contact No.: +91-22-6754 3573  
Email ID – [mradul.mishra@careratings.com](mailto:mradul.mishra@careratings.com)

### Analyst Contact

Ms. Shachee Vyas  
Contact No.: +91-79-4026 5665  
Email ID – [shachee.tripathi@careratings.com](mailto:shachee.tripathi@careratings.com)

### Relationship Contact

Ms. Swati Agrawal  
Contact No.: +91-11-45333237  
Email ID – [swati.agrawal@careratings.com](mailto:swati.agrawal@careratings.com)

### About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

### Disclaimer

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**