

Drashti Cotspin Private Limited

August 25, 2022

Ratings

| Facilities / Instruments | Amount (Rs. crore) | Rating ¹ | Rating Action |
|----------------------------|---|--|---|
| Long Term Bank Facilities | 24.09 | CARE B-; Stable; ISSUER NOT COOPERATING* (Single B Minus; Outlook: Stable; ISSUER NOT COOPERATING*) | Rating continues to remain under ISSUER NOT COOPERATING category |
| Short Term Bank Facilities | 1.65 | CARE A4; ISSUER NOT COOPERATING* (A Four; ISSUER NOT COOPERATING*) | Rating continues to remain under ISSUER NOT COOPERATING category |
| Total Facilities | 25.74 (Rs. Twenty-Five Crore and Seventy- Four Lakhs Only) | | |

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated June 09, 2021, placed the rating(s) of Drashti Cotspin Private Limited (DCPL) under the 'issuer non-cooperating' category as DCPL 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. DCPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated April 25, 2022, May 05, 2022, May 15, 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).

Detailed description of the key rating drivers

Please refer to PR dated [June 09, 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

Amreli-based (Gujarat), DCPL was incorporated as a private limited company in April, 2011 by Mr. Jayvant Finava, Mr. Vijay Finava, Mr. Jenith Finava and Mr. Brijesh Patel with an objective of manufacturing cotton yarn. DCPL manufactures combed and carded cotton yarn with an average count of 30s. DCPL has an installed capacity of manufacturing 3591 Metric Tonne per Annum (MTPA) of yarn with 14,592 spindles.

| Brief Financials (Rs. crore) | FY20(A) | FY21(A) | FY22(Prov.) | Q1FY23 (Prov.) |
|------------------------------|---------|---------|-------------|----------------|
| Total operating income | 57.42 | 48.48 | NA | NA |
| PBILDT | 7.19 | 4.61 | NA | NA |
| PAT | 1.56 | 0.77 | NA | NA |
| Overall gearing (times) | 1.09 | 1.61 | NA | NA |
| Interest coverage (times) | 3.95 | 2.93 | NA | NA |

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

¹Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications

*Issuer did not cooperate; Based on best available information

Status of non-cooperation with previous CRA: Brickwork has moved the ratings assigned to the bank facilities of DCPL to 'Issuer Not Cooperating' category vide press release dated October 20, 2021 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 | | - | - | November, 2022 | 17.09 | CARE B-; Stable; ISSUER NOT COOPERATING* |
| Fund-based - LT-Cash Credit | | - | - | - | 7.00 | CARE B-; Stable; ISSUER NOT COOPERATING* |
| Non-fund-based - ST-Bank Guarantee | | - | - | - | 1.50 | CARE A4; ISSUER NOT COOPERATING* |
| Non-fund-based - ST-Credit Exposure Limit | | - | - | - | 0.15 | 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 | 17.09 | CARE B-; Stable; ISSUER NOT COOPERATING* | - | 1)CARE B-; Stable; ISSUER NOT COOPERATING* (09-Jun-21) | 1)CARE B; Stable; ISSUER NOT COOPERATING* (19-May-20) | - |
| 2 | Fund-based - LT-Cash Credit | LT | 7.00 | CARE B-; Stable; ISSUER NOT COOPERATING* | - | 1)CARE B-; Stable; ISSUER NOT COOPERATING* (09-Jun-21) | 1)CARE B; Stable; ISSUER NOT COOPERATING* (19-May-20) | - |
| 3 | Non-fund-based - ST-Bank Guarantee | ST | 1.50 | CARE A4; ISSUER NOT COOPERATING* | - | 1)CARE A4; ISSUER NOT COOPERATING* (09-Jun-21) | 1)CARE A4; ISSUER NOT COOPERATING* (19-May-20) | - |
| 4 | Non-fund-based - ST-Credit Exposure Limit | ST | 0.15 | CARE A4; ISSUER NOT COOPERATING* | - | 1)CARE A4; ISSUER NOT COOPERATING* (09-Jun-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 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-Credit Exposure Limit | 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 Ratings Ltd. 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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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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