



## Press Release

### Shivtex Spinning Private Limited

April 04, 2024

#### Ratings

Instrument / Facility	Amount (Rs. Crore)	Ratings*	Rating Action	<a href="#">Complexity Indicator</a>
Long-Term Bank Facilities	62.96	IVR BB+/ Negative ISSUER NOT COOPERATING* (IVR Double B plus with Negative outlook; ISSUER NOT COOPERATING)	Downgraded from IVR BBB; Stable and moved to Issuer Not Cooperating category	Simple
Short- Term Bank Facility	1.70	IVR A4+/ ISSUER NOT COOPERATING* (IVR A Four plus; ISSUER NOT COOPERATING)	Downgraded from IVR A3+ and moved to Issuer Not Cooperating category	Simple
<b>Total</b>	<b>64.66 (INR Sixty-Four Crore and Sixty-six lakh Only)</b>			

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

**Details of Facility are in Annexure 1**

#### Detailed Rationale

The downgrade in the ratings assigned to the bank facilities of Shivtex Spinning Private Limited (SSPL) is because of non-cooperation by the company and lack of adequate information regarding SSPL's performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

#### Non-cooperation by Issuer

Infomerics has been regularly following up with the entity to provide the required data to monitor its assigned rating to the bank facilities, vide E-mail communications dated January



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16, 2024, January 23, 2024, January 31, 2024, February 7, 2024, March 1, 2024 and March 6, 2024 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the entity's management has not submitted all the essential details required for detailed review of the assigned ratings.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long-term and short-term ratings for the bank facilities of Shivtex Spinning Private Limited aggregating to Rs. 64.66 crore shall be moved to 'ISSUER NOT COOPERATING' category and the long-term ratings will be noted as 'IVR BB+; Negative, ISSUER NOT COOPERATING' (IVR Double B Plus with Negative outlook, Issuer Not Co-operating) and short-term rating will be noted as 'IVR A4+, ISSUER NOT COOPERATING' (IVR A Four Plus, Issuer Not Co-operating), based on best available information.

**Liquidity:** Unable to comment due to lack of adequate information.

**Analytical Approach:** Standalone

### **Applicable Criteria**

[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non- Financial Sector\)](#)

[Criteria for assigning rating outlook](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Policy of default recognition](#)

[Criteria on complexity](#)

### **About the Company**

Shivtex Spinning Private Limited was incorporated in September 2016. The primary activities of the company involve manufacturing of various count and kind of cotton spun yarn. Its manufacturing unit is located in Saijpur Gopalpur, Ahmedabad and commenced the commercial production from September 2017 with installed capacity of 5496 MTPA. Later, the company added additional capacity by setting up another spinning unit with a capacity of



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6482 MTPA, which commenced operations from August 2018.

**Financials (Standalone): Latest financials are not available**

(Rs. crore)

For the year ended* / As on	31-03-2021	31-03-2022
	Audited	Audited
Total Operating income	147.27	407.50
EBIDTA	21.09	18.85
PAT	2.86	6.34
Total Debt	81.64	91.98
Adjusted Tangible Net Worth	59.62	59.23
EBDITA Margin (%)	14.32	4.63
PAT Margin (%)	1.93	1.56
Overall Gearing Ratio (x)	1.37	1.55
Interest Coverage Ratio (x)	2.09	6.39

\*Classification as per Infomerics' standards.

### Status of non-cooperation with previous CRA:

India Ratings vide its press release dated July 24, 2023 has maintained the rating under issuer not cooperating category due to non-submission of information by the company despite continuous requests and follow-ups by India Ratings.

**Any other information:** Nil

### Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23 (Jan 20, 2023)	Date(s) & Rating(s) assigned in 2021-22 (Oct 25, 2021)
1.	Term Loan	LT	44.96	IVR BB+/ Negative; ISSUER NOT COOPERATING*	-	IVR BBB/ Stable	IVR BBB/ Stable
2.	GECL	LT	1.75	IVR BB+/ Negative; ISSUER NOT COOPERATING*	-	IVR BBB/ Stable	IVR BBB/ Stable
3.	Cash	LT	16.25	IVR BB+/ Stable	-	IVR BBB/ Stable	IVR BBB/ Stable



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	Credit			Negative; ISSUER NOT COOPERATING*		Stable	Stable
4.	Bank Guarantee	ST	1.70	IVR A4+; ISSUER NOT COOPERATING*	-	IVR A3+	IVR A3+

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

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### About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.



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Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit [www.infomerics.com](http://www.infomerics.com).

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

### Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	Mar 2028	44.96	IVR BB+/ Negative; ISSUER NOT COOPERATING*
GECL	-	-	Mar 2026	1.75	IVR BB+/ Negative; ISSUER NOT COOPERATING*
Cash Credit	-	-	-	16.25	IVR BB+/ Negative; ISSUER NOT COOPERATING*
Bank Guarantee	-	-	-	1.70	IVR A4+; ISSUER NOT COOPERATING*

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

**Annexure 2: Facility wise lender details:** Not Available

**Annexure 3: List of companies considered for consolidated analysis:** Not Applicable



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**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities:** Not Applicable

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).

