



Rating Rationale

20 Jan 2021

Chenniappa Yarn Spinners Private Limited

Brickwork Ratings reaffirms rating for the Bank Loan Facilities of Rs. 32.53 Crs of Chenniappa Yarn Spinners Private Limited based on best available information, as the company did not cooperate.

Particulars

Facilities**	Amount (Rs. Crs)		Tenure	Rating#	
	Previous	Present		Previous (Oct 2019)	Present
Fund based					
Open Cash Credit	20.50	20.50	Long Term	BWR BB+/Stable Reaffirmed	BWR BB+/Stable Issuer Not Cooperating*
Term loan	5.90	5.90			
Non Fund based					
Letter of Credit	6.00	6.00	Short Term	BWR A4+ Reaffirmed	BWR A4+ Issuer Not Cooperating*
Bank Guarantee	0.13	0.13			
Total	32.53	32.53	INR Thirty Two Crores and Fifty Three Lakhs Only		

* Issuer did not cooperate;Based on the best available information ; **Details of Bank facilities are provided in Annexure-I; # Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rating Action/Nature of Non Cooperation

The ratings were due for a review in October 2020. BWR took up with the company to provide required information for conducting a review of the ratings through emails and telephone calls.



Despite the best efforts of BWR to get at least the minimum required information for a review, the company has not provided the same. The ratings were, therefore, migrated to the Issuer not cooperating category. Due to the continued lack of management cooperation and in the absence of adequate information from the Company, BWR is unable to assess the Company's financial performance and its ability to service its debt and maintain a valid rating. The company has not been submitting the No Default Statement(NDS) to BWR, as per regulatory requirements. Hence, based on best available information, Brickwork Ratings has reaffirmed the ratings in the ISSUER NOT COOPERATING* category.

Limitations of the Rating

Information availability risk is a key factor in the assessment of credit risk as generally non-cooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

Key Financial Indicators

Key Parameters	Units	2018	2019
Result Type		Audited	Audited
Operating Revenue	Rs. Crs.	68.90	74.17
EBIDTA	Rs. Crs.	7.61	6.49
PAT	Rs. Crs.	0.96	0.99
Tangible Net Worth	Rs. Crs.	21.49	22.48
Total Debt/Tangible Net Worth	Times	1.50	1.36
Current Ratio	Times	1.20	1.23

Company Profile

Chenniappa Yarn Spinners Private Limited (CYSPL) was established in February 2005 by Mr.C.Subramanian at Tirupur, Tamil Nadu. CYSPL is a manufacturer of yarn (20,400 spindles (18 ring frames)) with autoconers. It manufactures yarn in the range of 20s to 45s counts and knitted fabrics (9 machines) and trading of knitted cloths. The main products of the company are semi-combed, combed and carded cotton yarns, cotton slub yarns, Lycra single, melange yarn,

jersey knitted fabrics, rib fabrics, interlock fabrics, fleece fabrics, auto stripers and comber noils (waste sales).

Status of non-cooperation with previous CRA - NA

Rating History for the last three years [including withdrawal and suspended]

Facility	Current Rating (Jan 2021)			Rating History		
	Amount (Rs. Crs.)	Type	Rating	Oct 2019	04 Jul 2018	25 Sep 2017
Fund Based						
Open Cash Credit	20.50	Long Term	BWR BB+/Stable	BWR BB+/Stable	BWR BB+/Stable	BWR BB+/Stable
Term Loan	5.90		Issuer Not cooperating*			
Non Fund Based						
Letter of Credit	6.00	Short term	BWR A4+	BWR A4+	BWR A4+	BWR A4+
Bank Guarantee	0.13		Issuer Not cooperating *			
Total	32.53	INR Thirty Two Crores and Fifty Three Lakhs Only				

*Issuer did not cooperate; Based on best available information

Complexity levels of the instruments

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- **General Criteria**
- **Approach to Financial Ratios**



- What Constitutes Non-Cooperation
- Manufacturing Companies

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ANNEXURE I

Details of Bank Loan Facilities rated by BWR

Sl. No.	Type of Facilities	Long Term (Rs Cr)	Short Term (Rs Cr)	Total (Rs Cr)
1	Open Cash Credit	20.50	-	20.50
2	Term Loan	5.90		5.90
3	Letter of Credit	-	6.00	6.00
4	Bank Guarantee	-	0.13	0.13
INR Thirty Two Crores and Fifty Three Lakhs Only				32.53

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