

February 27, 2024

Zadafiya Creations Pvt. Ltd.: Continues to remain under issuer Non-Cooperating category, Rating downgraded based on best available information

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	3.75	3.75	[ICRA]D; ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]B(Stable) ISSUER NOT COOPERATING and continues to remain under 'Issuer Not Cooperating' category.
Long Term-Fund Based-Term Loan	14.25	14.25	[ICRA]D; ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]B(Stable) ISSUER NOT COOPERATING and continues to remain under 'Issuer Not Cooperating' category.
Total	18.00	18.00	

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

[^]Instrument details are provided in Annexure-1

Rationale

Material event

The rating downgrade reflects Delay in Debt Repayment as mentioned in the publicly available sources.

Impact of material event

The rating is based on limited information on the entity's performance since the time it was last rated in December 2022. 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 entity, despite the downgrade".

As part of its process and in accordance with its rating agreement with Zadafiya Creations Pvt. Ltd., ICRA has been trying to seek information from the entity to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite repeated requests by ICRA, the entity's management has remained noncooperative. In the absence of the requisite information and in line with the aforesaid policy of ICRA, the rating has been moved to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology Rating Methodology – Textiles (Fabric Making) Policy on Default Recognition

Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

Surat based Zadafiya Creations Private Limited (ZCPL) was incorporated in February 2015 and has been engaged in trading of sarees. In current fiscal the company has setup knitted fabric manufacturing facility and commenced commercial production from June 2017. The installed capacity for knitted fabric manufacturing is 7,500 MTPA (considering 300 working days). The company is promoted by the Zadafiya family and the promoters have been associated with other entities which are majorly engaged into fabric embroidery and knitted fabric manufacturing.

Status of non-cooperation with previous CRA: NA

Any other information: None

Rating history for past three years

	Instrument			Current Rating (FY2024)		Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. Crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021
					27-Feb-2024	09-Dec-2022	06-Oct-2021	31-Jul-2020
1	Cash Credit	Long Term	3.75	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING
2	Term Loan	Long Term	14.25	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING

Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple
Term Loan	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	3.75	[ICRA]D; ISSUER NOT COOPERATING
NA	Term Loan	-	-	-	14.25	[ICRA]D; ISSUER NOT COOPERATING

Source: Zadafiya Creations Pvt. Ltd.

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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