

August 09, 2021

Sudiva Spinners Private Limited: Ratings Withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term fund-based- Cash Credit	155.00	155.00	[ICRA]BBB-(Stable); withdrawn
Long-term fund-based-Term Loan	231.50	231.50	[ICRA]BBB-(Stable); withdrawn
Short-term-non-fund-based bank facilities	17.75	17.75	[ICRA]A3; withdrawn
Total	404.25	404.25	

*Instrument details are provided in Annexure-1

Rationale

The bank loan ratings assigned to Sudiva Spinners Private Limited (SSPL) have been withdrawn at the request of the company and upon receipt of no-objection certificate from the bankers. ICRA is withdrawing the rating and it does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The key rating drivers, liquidity position, rating sensitivities, key financial indicators have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Policy on withdrawal of Credit Ratings
Parent/Group Support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Established in 2007 by Mr. Varun Laddha and his father, Mr. J. C. Laddha, SSPL manufactures cotton and polyester cotton yarn. Its manufacturing unit, located at Sareri in the Bhilwara district of Rajasthan, has an installed capacity of 2,208 rotors (~6,800 metric tonne per annum) and 72,336 spindles. SSPL is a closely-held company with 100% shareholding held by Mr. J. C. Laddha, Mr. Varun Laddha and family.

Status of non-cooperation with previous CRA: SSPL has BWR BB+ (Stable)/ BWR A4+; Issuer Not Cooperating ratings outstanding for Rs. 163.71-crore bank facilities. The rating was earlier put in Issuer Not Cooperating category in May 2019. Thereafter, the rating was downgraded from BWR BBB (Stable)/BWR A3+ to BWR BB+(Stable)/ BWR A4+ in June 2020, stating that the CRA was unable to assess the issuer's/company's current complete financial performance and its ability to service its debt and maintain a valid rating.

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding as of Mar 31, 2021 (Rs. crore)	Date & Rating in FY2022	Date & Rating in FY2021		Date & Rating in FY2020	Date & Rating in FY2019
					Aug 9, 2021	Mar 12, 2021	Sep 7, 2020	Nov 27, 2019	Nov 19, 2018
1	Fund-based bank facilities (Term Loan)	LT	231.50	173.42	[ICRA]BBB-(Stable); Withdrawn	[ICRA]BBB-(Stable)	[ICRA]BBB-(Negative)	[ICRA]BBB-(Stable)	[ICRA]BBB-(Stable)
2	Fund-based bank facilities (Cash Credit)	LT	155.00	--	[ICRA]BBB-(Stable); Withdrawn	[ICRA]BBB-(Stable)	[ICRA]BBB-(Negative)	[ICRA]BBB-(Stable)	[ICRA]BBB-(Stable)
3	Non-fund-based bank facilities	ST	17.75	--	[ICRA]A3; Withdrawn	[ICRA]A3	[ICRA]A3	[ICRA]A3	[ICRA]A3+

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term fund-based- Cash Credit	Simple
Long-term fund-based-Term Loan	Simple
Short-term-non-fund-based bank facilities	Very 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 analyzing 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: www.icra.in

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	Term Loan-1	Jul-17	MCLR+ 0.85%	FY2025	35.21	[ICRA]BBB- (Stable); withdrawn
NA	Term Loan-2	Jul-17	LTMR+ 0.45%	FY2025	25.29	[ICRA]BBB- (Stable); withdrawn
NA	Term Loan-3	Sep-19	MCLR+ 0.85%	FY2028	61.00	[ICRA]BBB- (Stable); withdrawn
NA	Term Loan-4	Jan-20	MCLR+ 0.85%	FY2028	28.00	[ICRA]BBB- (Stable); withdrawn
NA	Term Loan-5	Apr-20	MCLR+ 0.85%	FY2028	20.00	[ICRA]BBB- (Stable); withdrawn
NA	Term Loan-6	Sep-19	MCLR+ 0.85%	FY2028	31.00	[ICRA]BBB- (Stable); withdrawn
NA	Term Loan-7	Sep-19	MCLR+ 0.85%	FY2028	31.00	[ICRA]BBB- (Stable); withdrawn
NA	Cash Credit	Sep-19	--	NA	155.00	[ICRA]BBB- (Stable); withdrawn
NA	Short- term non-fund-based limits	Sep-19	--	NA	17.75	[ICRA]A3; withdrawn

Source: SSPL

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

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