

February 20, 2024

Sai Global YarnTex (India) Private Limited: 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	24.80	24.80	[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-Team Loan	6.29	6.29	[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/Short-Term-Unallocated	8.64	8.64	[ICRA]D; ISSUER NOT COOPERATING*/[ICRA]D; ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]B (Stable); ISSUER NOT COOPERATING*/[ICRA]A4; ISSUER NOT COOPERATING* and continues to remain under 'Issuer Not Cooperating' category
Total	39.73	39.73	

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

[^]Instrument details are provided in Annexure-1

Rationale

The rating of Sai Global YarnTex (India) Private Limited is downgraded as the account of the entity has been declared as NPA (Non-Performing Asset) mentioned in the Feedback received from the lender.

Impact of material event

The rating is based on limited information on the entity's performance since the time it was last rated in October 2023. 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 Sai Global YarnTex (India) Private Limited, 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, Key Financial Indicators, 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 Policy on Default Recognition Textiles (Spinning)
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Incorporated in December 2005, SGYIPL is involved in cotton spinning at its unit at Ongole, Prakasam district, Andhra Pradesh. The installed capacity of the unit is 26,000 spindles. The company is promoted by Mr. Koti Reddy, Mr. Veeraprakasa Rao, Mr. G. B. Narayana, Mr. Srinivasa Rao, Mr. Gopala Reddy and Mr. Desu Subrahmanyam. SGYIPL primarily produces cotton yarn of medium counts, ranging from 26's to 40's of carded and combed variety.

Status of non-cooperation with previous CRA: Not Applicable

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 March 31, 2022 (Rs. Crore)	Date & rating in		Date & rating in FY2023		Date & rating in FY2022	Date & rating in FY2021
					Feb 20, 2024	Oct 06, 2023	Feb 15, 2023	Jan 02, 2023	Jan 24, 2022	Dec 22, 2020
1	Fund-based -Cash Credit	Long Term	24.8	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B (Stable)	[ICRA]B+ (Stable)	[ICRA]B+ (Stable)
2	Fund-based -Term Loan	Long Term	6.29	6.89	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B (Stable)	[ICRA]B+ (Stable)	-
3	Unallocated	Long Term / Short Term	8.64	-	[ICRA]D; ISSUER NOT COOPERATING / [ICRA]D; ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING / [ICRA]A4; ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING / [ICRA]A4; ISSUER NOT COOPERATING	[ICRA]B (Stable)/ [ICRA]A4	[ICRA]B+ (Stable)/ [ICRA]A4	[ICRA]B+ (Stable)/ [ICRA]A4

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Fund-based – Cash Credit	Simple
Long-term – Fund-based – Term Loan	Simple
Long-term / Short-term – Unallocated	Not Applicable

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 are available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	24.80	[ICRA]D; ISSUER NOT COOPERATING
NA	Term Loans	FY2021	-	FY2023- FY2025	6.29	[ICRA]D; ISSUER NOT COOPERATING
NA	Unallocated	-	-	-	8.64	[ICRA]D; ISSUER NOT COOPERATING /[ICRA]D; ISSUER NOT COOPERATING

Source: Sai Global YarnTex (India) Private Limited

[Please click here to view details of lender-wise facilities rated by ICRA](#)

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

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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