

March 14, 2024

Om Threads Limited: Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	2.00	2.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term-Fund Based-Term Loan	11.50	11.50	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term-Non-Fund Based-Others	0.35	0.35	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Total	13.85	13.85	

*Issuer did not cooperate; based on best available information

[^]Instrument details are provided in Annexure-I

Rationale

ICRA has kept the Long-Term ratings for the Bank Facilities of Om Threads Limited in the 'Issuer Not Cooperating' category. The ratings is denoted as "[ICRA]B+(Stable); ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with Om Threads Limited, ICRA has been trying to seek information from the entity so as to monitor its performance Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued 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: [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-Spinning
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

Om Threads Ltd (OTL) was incorporated in June 2013 by Mr. Sanjeev Kumar along with other directors. The company is engaged in cotton yarn spinning (count ranging from 10s to 40s) with manufacturing facility located at Partan (Patiala, Punjab). The manufacturing unit is equipped with 1,792 rotors (4 machines with 448 rotors each) with installed capacity of 7 tons per day (2,555 MTPA). The commercial production commenced from June 2014. The promoters of the company also promote Satnam Oils Pvt. Ltd. which is into cooking oil production from rice husk.

Key Financial Indicator

	FY2022 (in crore)	FY2023 (in crore)
Operating income	63.70	54.27
PAT	0.32	0.62
OPBDIT/OI	3.66%	5.22%
PAT/OI	0.50%	1.15%
RoCE (%)	6.28%	9.24%
Total outside liabilities/Tangible net worth (times)	1.09	1.46
Total debt/OPBDIT (times)	0.54	2.12
Interest coverage (times)	13.27	9.99

Source-MCA

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortization

Status of non-cooperation with previous CRA:

CRA	Status	Date of Release
CRISIL	CRISIL B+(Stable); ISSUER NOT COOPERATING	August 18, 2023

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 FY2023	Date & Rating in FY2022	Date & Rating in FY2021		
					14-Mar-2024	20-Jan-2023	21-Dec-2021	20-Oct-2020	
1	Cash Credit	Long Term	2.00	-	[ICRA]B+ (Stable); 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	11.50	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	
3	Non-Fund Based	Long Term	0.35	-	[ICRA]B+ (Stable); 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
Long Term-Fund Based-Cash Credit	Simple
Long Term-Fund Based-Term Loan	Simple
Long Term-Non-Fund Based-Others	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 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-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Long Term-Fund Based-Cash Credit	-	-	-	2.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Long Term-Fund Based-Term Loan	-	-	-	11.50	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Long Term-Non-Fund Based- Others	-	-	-	0.35	[ICRA]B+ (Stable); ISSUER NOT COOPERATING

Source: Om Threads Limited (OTL)

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

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About ICRA Limited:

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Branches



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