

October 29, 2020

Hindustan Cotton Spinning Mills: Ratings Withdrawn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Long Term- Fund Based- Cash Credit	7.25	7.25	[ICRA]BB- (Stable); ISSUER NOT COOPERATING; Withdrawn
Long Term- Fund Based- Term Loan	3.90	3.90	[ICRA]BB- (Stable); ISSUER NOT COOPERATING; Withdrawn
Long Term- Unallocated	2.85	2.85	[ICRA]BB- (Stable); ISSUER NOT COOPERATING; Withdrawn
Total	14.00	14.00	

*Instrument details are provided in [Annexure-1](#)

Rationale

The Long-term ratings assigned to Hindustan Cotton Spinning Mills (HCSM) have been withdrawn at the request of the company and based on the Closure Letter of the Concerned Bank, and in accordance with ICRA's policy on withdrawal and suspension. ICRA is withdrawing the rating and that it does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

Please refer to the previous detailed rating rationale on the following link: [Click here](#)

Key rating drivers and their description

Key rating drivers have not been captured as the rating is being withdrawn.

Liquidity position

Not captured as the rating is being withdrawn.

Rating sensitivities

Not captured as the rating is being withdrawn.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology ICRA Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

About the company

Hindustan Cotton Spinning Mills ("HCSM" / "The Firm") commenced operations in the year 1997 and is primarily engaged in the production of cotton yarn. The Firm produces yarn in 34's and 40's count and sells its manufactured yarn to

traders located in Kolkata and Tamil Nadu. The firm's manufacturing facility has installed capacity of 13,824 spindles and is located in Coimbatore, Tamil Nadu. The Firm has installed windmills with an installed capacity of 2.12MW.

Profile of Key Management Personnel

Mr. D. Soundararajan is the Managing Partner and has more than two decades of experience in the textile industry.

Group Entity

HCSM has an associate entity Hindustan Spinners (rated at [ICRA]BB / [ICRA]A4+ suspended) which is also into manufacturing of cotton yarn. Hindustan Spinners is also owned by the same promoters who own HCSM.

Key financial indicators: Not applicable

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for past three years

All figures in Rs. Crores

All figures in Rs. Crores								
S. No.	Instrument	Current Rating (FY2021)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated	Amount Outstanding	Date & Rating	Date & Rating in FY2020	Date & Rating in FY2019	Date & Rating in FY2018
					29-Oct-20	30-Apr-19	19-Nov-18	21-Nov-17
1	Fund Based-Cash Credit	Long Term	7.25	-	[ICRA]BB-(Stable); ISSUER NOT COOPERATING; Withdrawn	[ICRA]BB-(Stable); ISSUER NOT COOPERATING	[ICRA]BB-(Stable); ISSUER NOT COOPERATING	[ICRA]BB-(Stable)
2	Fund Based-Term Loan	Long Term	3.90					
3	Unallocated	Long Term	2.85	-				

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

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund based- Cash Credit	NA	NA	NA	7.25	[ICRA]BB- (Stable); ISSUER NOT COOPERATING; Withdrawn
NA	Fund Based- Term Loan	NA	NA	NA	3.90	[ICRA]BB- (Stable); ISSUER NOT COOPERATING; Withdrawn
NA	Unallocated	NA	NA	NA	2.85	[ICRA]BB- (Stable); ISSUER NOT COOPERATING; Withdrawn

Source: Hindustan Cotton Spinning Mills

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

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