

January 22, 2021

Cheema Spintex Limited: Rating continues to remain under Non Cooperating category

Summary of Rated Instrument:

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term – Fund Base/cc	48.70	48.70	[ICRA]D ISSUER NOT COOPERATING*; Rating continues to remain under the 'Issuer Not Cooperating' category.
Short Term – Non Fund Based	15.0	15.00	[ICRA]D ISSUER NOT COOPERATING; Rating Continues to remain under the 'Issuer Not Cooperating' Category
Total	63.70	63.70	

*Issuer did not co-operate; based on best available information.

Rationale

The ratings for the Rs. 63.70 crore bank facilities of Cheema Spintex Limited continues to remain under the 'Issuer Not Cooperating' category. The Long term rating is denoted as "[ICRA]D; ISSUER NOT COOPERATING" and the Short term rating is denoted as "[ICRA]D; ISSUER NOT COOPERATING".

ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis best available/dated/ limited information on the issuers' performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity. The rating action has been taken in accordance with ICRA's policy in respect of non-cooperation by a rated entity available at www.icra.in.

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
Parent/Group Support	Not Applicable.
Consolidation / Standalone	Not Applicable

About the company:

Incorporated in 1994, CSL was set up as a 100% export-oriented unit by Mr. Harbhajan Singh Cheema and Mr. Hardyal Singh Cheema, in association with Punjab State Industrial Development Corporation (PSIDC). The company manufactures combed and carded cotton yarn in counts ranging from 20s to 30s; and has an installed capacity of 30,240 spindles. CSL exports its products mainly to Hong Kong, Taiwan, Bangladesh, China, South Korea, Singapore, Thailand, Malaysia, and

Canada. In 2009-10, due to erosion of 100% of its net worth, the company had filed an application with the Board for Industrial and Financial Reconstruction (BIFR) for declaration of the company as sick under the Sick Industrial Companies Act (SICA).

The previous detailed rating rationale is available on the following link: [Click here](#)

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

S. No	Name of Instrument	Type	Current Rating (FY2021)			Chronology of Rating History for the Past 3 years		
			Rated amount	Amount outstanding	Month-year & Rating	Month- year and Rating in		
			(Rs. crore)		22-Jan-2021	FY2020	FY2019	FY2018
						31-Oct-2019	05-July-2018	6-Jan-2017
1	Cash Credit	Long Term	48.70	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING
3	Non Fund Base	Short Term	15.00		[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING

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About ICRA Limited:

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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