

Press Release

Parani Spinning Mills Private Limited

May 08, 2019

Rating Update



Total Bank Facilities Rated*	Rs. 21.00 Cr. #
Long Term Rating	ACUITE D Issuer not co-operating*
Short Term Rating	ACUITE D Issuer not co-operating*

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

Acuite has reviewed long-term rating of '**ACUITE D' (read as ACUITE D)** and short term rating of '**ACUITE D' (read as 'ACUITE D')** on the Rs. 21.00 crore bank facilities of Parani Spinning Mills Private Limited (PSPL). This rating is now an indicative rating and is based on best available information.

The downgrade is in view of delays in servicing the debt obligations.

PSPL, incorporated in 1988, is managed by Mr. Karuppuswamy and family. The company is engaged in manufacturing of cotton hosiery combed and melange yarns ranging from 25 to 40s counts. PSPL has its manufacturing unit at Veda sandur in Dindigul district (Tamil Nadu). The company has an installed capacity of 38912 spindles and production capacity of 9500 kgs per day. The company is utilising 90-95 percent of its production facilities

Non-cooperation by the issuer/borrower

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuite endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

About the Rated Entity - Key Financials

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
06-Mar-2018	Cash Credit	Long Term	14.00	ACUITE B- / Stable (Reaffirmed)
	Term Loan	Long Term	0.46	ACUITE B- / Stable (Reaffirmed)
	Buyers Credit	Short Term	2.00	ACUITE A4 (Reaffirmed)
	Letter of Credit	Short Term	3.00	ACUITE A4 (Reaffirmed)
	Proposed Long Term Loan	Long Term	1.54	ACUITE B- / Stable (Reaffirmed)
02-Dec-2016	Cash Credit	Long Term	14.00*	ACUITE B- / Stable (Suspension Revoked, Rating Assigned)
	Term Loan	Long Term	2.35#	ACUITE B- / Stable (Suspension Revoked, Rating Assigned)
	Buyers Credit	Short Term	0.65	ACUITE A4 (Suspension Revoked, Rating Assigned)
	Letter of Credit	Short Term	3.00	ACUITE A4 (Suspension Revoked, Rating Assigned)
	Proposed Cash Credit	Long Term	1.00	ACUITE B- / Stable (Suspension Revoked, Rating Assigned)
02-Nov-2015	Term Loan	Long Term	1.40	ACUITE D (Suspended)
	Cash Credit	Long Term	12.00	ACUITE D (Suspended)
	Letter of Credit	Short Term	3.00	ACUITE D (Suspended)

*Sublimit of CCBD of Rs.5.00 crore

#Outstanding amount of term loan of Rs.3.06 crore

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	14.00	ACUITE D (Downgraded from ACUITE B- / Stable) Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	0.46	ACUITE D (Downgraded from ACUITE B- / Stable) Issuer not co-operating*
Buyers Credit	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE D (Downgraded from ACUITE A4) Issuer not co-operating*
Letter of credit	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE D (Downgraded from ACUITE A4) Issuer not co-operating*
Proposed Fund	Not Applicable	Not Applicable	Not Applicable	1.54	ACUITE D (Downgraded from ACUITE B- / Stable)

Based Facility					Issuer not co-operating*
-------------------	--	--	--	--	--------------------------

*The issuer did not co-operate; Based on best available information.

Contacts

Analytical	Rating Desk
<p>Aditya Gupta Head - Corporate and Infrastructure Sector Ratings Tel: 022-49294041 aditya.gupta@acuite.in</p> <p>Grishma Muni Analyst - Rating Operations Tel: 022-49294075 grishma.muni@acuite.in</p>	<p>Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in</p>

About Acuite Ratings & Research:

Acuite Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

Disclaimer: An Acuite rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuite ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuite, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuite is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuite ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuite.