

**Press Release**  
**Dhivakar Spinning Mills Private Limited**

January 11, 2019

**Rating Update**



<b>Total Bank Facilities Rated</b>	Rs. 8.50 Cr. #
<b>Long Term Rating</b>	ACUITE B+ Issuer not co-operating*
<b>Short Term Rating</b>	ACUITE A4 Issuer not co-operating*

#Refer Annexure for details

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

**Rating Rationale**

Acuité has reviewed the long term rating of '**ACUITE B+**' (read as ACUITE B plus) and short term rating of '**ACUITE A4**' (read as ACUITE A four) on the Rs. 8.50 bank facilities of **Dhivakar Spinning Mills Private Limited**. This rating is now an indicative rating and is based on best available information.

**Non-cooperation by the issuer/borrower:** Acuité 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 Acuité's policies.

**Applicable Criteria**

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.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). Acuité endeavored to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

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

**About the rated entity:**

DSMPL is a Tamil Nadu-based company, incorporated in 1993 by Mr. K. Thangamani. The company manufactures cotton blended yarn of count ranging from 30s to 40s. The installed capacity stands at 12192 spindles of which the current utilisation is around 92 per cent.

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

None

**Any other information**

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

**Rated entity financials:**

	Unit	FY17 (Provisional)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	23.56	28.18	25.60
EBITDA	Rs. Cr.	1.98	1.78	2.02
PAT	Rs. Cr.	0.29	-0.04	-0.20
EBITDA Margin (%)		8.41	6.33	7.90
PAT Margin (%)		1.24	-0.16	-0.79
ROCE (%)		10.94	8.71	7.17
Total Debt/Tangible Net Worth	Times	2.57	2.43	2.35
PBDIT/Interest	Times	1.89	1.64	1.65

**Rating History (Upto last three years)**

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
Nov 20, 2017	Cash Credit	Long term	5.75	ACUITE B+/Stable (Reaffirmed)
	Term Loan	Long Term	0.31	ACUITE B+/Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	1.00	ACUITE B+/Stable (Reaffirmed)
	Bank Guarantee	Short Term	0.44	ACUITE A4 (Reaffirmed)
	Proposed	Long Term	1.00	ACUITE B+/Stable (Reaffirmed)
Aug 09, 2016	Cash Credit	Long term	5.75	ACUITE B+/Stable (Assigned)
	Term Loan	Long Term	0.13	ACUITE B+/Stable (Assigned)
	Working Capital Demand Loan (WCDL)	Long Term	1.00	ACUITE B+/Stable (Assigned)
	Bank Guarantee	Short term	0.32	ACUITE A4 (Assigned)

	Proposed	Long Term	1.3	ACUITE B+/Stable (Assigned)
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### # Annexures – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	5.75	ACUITE B+ Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	0.13	ACUITE B+ Issuer not co-operating*
Working Capital Demand Loan (WCDL)	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE B+ Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	0.32	ACUITE A4 Issuer not co-operating*
Proposed	Not Applicable	Not Applicable	Not Applicable	1.3	ACUITE B+ Issuer not co-operating*

\*The issuer did not co-operate; based on best available information

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#### About Acuité Ratings & Research:

Acuité 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.

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