

Press Release

Birin Spinning Mills Limited

July 08, 2020

Rating Update



Total Bank Facilities Rated*	Rs.25.00 Cr. #
Long Term Rating	ACUITE B+ (Downgraded from ACUITE BB-/ Stable) Issuer not co-operating*

Refer Annexure for details

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

Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE B+**' (read as **ACUITE B plus**) from '**ACUITE BB-**' (read as **ACUITE double B minus**) on the Rs.25.00 crore bank facilities of Birin Spinning Mills Limited. This rating is now an indicative rating and is downgraded on account of information risk.

Birin Spinning Mills Limited incorporated in 2005 is mainly engaged in manufacturing and sale of cotton yarn and the sale of knitted fabric. BSML was initially started as a partnership firm on November 27, 2002 having two partners, namely Mr. A. Avinashilingam and Mr. D Rangaswamy with an installed capacity of 4,800 spindles. It was converted into a Limited company in 2005. Currently, the company produces yarn of 30's to 60's counts with the spindle capacity of 14400.

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.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacture Sector Entities - <https://www.acuite.in/view-rating-criteria-59.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 endeavoured 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.

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

Any other information

Acuité 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
02-May-2019	Cash Credit	Long Term	11.00	ACUITE BB-/ Stable (Reaffirmed)
	Term Loan	Long Term	4.55	ACUITE BB-/ Stable (Reaffirmed)
	Term Loan	Long Term	1.32	ACUITE BB-/ Stable (Assigned)
	Term Loan	Long Term	5.95	ACUITE BB-/ Stable (Assigned)
	Term Loan	Long Term	2.08	ACUITE BB-/ Stable (Assigned)
	Proposed	Long Term	0.10	ACUITE BB-/ Stable (Reaffirmed)
25-May-2018	Cash Credit	Long Term	8.00	ACUITE BB-/ Stable (Reaffirmed)
	Term Loan	Long Term	5.00	ACUITE BB-/ Stable (Reaffirmed)
	Secured Overdraft	Long Term	10.00	ACUITE BB-/ Stable (Reaffirmed)
20-Mar-2017	Cash Credit	Long Term	8.00	ACUITE BB-/ Stable (Assigned)
	Secured Overdraft	Long Term	10.00	ACUITE BB-/ Stable (Assigned)
	Term Loan	Long Term	5.00	ACUITE BB-/ Stable (Assigned)

#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	11.00	ACUITE B+ (Downgraded from ACUITE BB-/ Stable) Issuer not co-operating*
Term Loan	Not Available	Not Applicable	Not Available	4.55	ACUITE B+ (Downgraded from ACUITE BB-/ Stable) Issuer not co-operating*
Term Loan	Not Available	Not Applicable	Not Available	1.32	ACUITE B+ (Downgraded from ACUITE BB-/ Stable) Issuer not co-operating*
Term Loan	Not Available	Not Applicable	Not Available	5.95	ACUITE B+ (Downgraded from ACUITE BB-/ Stable) Issuer not co-operating*
Term Loan	Not Available	Not Applicable	Not Available	2.08	ACUITE B+ (Downgraded from ACUITE BB-/ Stable) Issuer not co-operating*
Proposed	Not Applicable	Not Applicable	Not Applicable	0.10	ACUITE B+ (Downgraded from ACUITE BB-/ Stable) Issuer not co-operating*

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

Contacts

Analytical	Rating Desk
<p>Aditya Gupta Vice President – Corporate & Infrastructure Sector Tel: 022-4929 4041 aditya.gupta@acuite.in</p> <p>Sruthi Talanki Rating Analyst - Rating Operations Tel: 040-4004 2327 sruthi.talanki@acuite.in</p>	<p>Varsha Bist Manager - Rating Desk Tel: 022-4929 4011 rating_desk@acuite.in</p>

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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