

Press Release

Birin Spinning Mills Limited

January 12, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Ratings Loan	31.00	ACUITE BB- Reaffirmed Issuer not co-operating*	
Total	31.00	-	-

Rating Rationale

Acuité has reaffirmed the long-term rating of ' ACUITE BB-' (read as ACUITE double B minus) on the Rs. 31.00 crore bank facilities of Birin Spinning Mills Limited (BSML). The rating is flagged as "Issuer Not-Cooperating" on account of information risk.

About the Company

Incorporated in the year 2005, BSML is engaged primarily in the manufacturing of cotton yarn. The company is based in Tiruppur, Tamil Nadu. The company currently has 15,600 spindles. Alongside manufacturing, the company commenced trading of finished yarn from August 2020. The directors of the company - Mr. Avinashilingam and Mr. Rangasamy have more than three decades of experience in the textile industry

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 the due date. Acuité believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

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 ratings based.

Rating Sensitivities

"No information provided by the issuer / available for Acuite to comment upon."

Material Covenants

None.

Liquidity Indicators

"No information provided by the issuer / available for Acuite to comment upon."

Outlook

None.

Other Factors affecting Rating

None.

Status of non-cooperation with previous CRA

None.

Any other information

None.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
03 Nov 2020	Term Loan	Long Term	1.39	ACUITE BB- Stable (Upgraded from ACUITE B+)
	Term Loan	Long Term	5.95	ACUITE BB- (Withdrawn)
	Working Capital Term Loan	Long Term	3.70	ACUITE BB- Stable (Assigned)
	Term Loan	Long Term	0.08	ACUITE BB- Stable (Assigned)
	Term Loan	Long Term	2.08	ACUITE BB- (Withdrawn)
	Term Loan	Long Term	4.63	ACUITE BB- Stable (Upgraded from ACUITE B+)
	Term Loan	Long Term	1.15	ACUITE BB- Stable (Upgraded from ACUITE B+)
	Cash Credit	Long Term	11.00	ACUITE BB- Stable (Upgraded from ACUITE B+)
	Proposed Bank Facility	Long Term	0.50	ACUITE BB- Stable (Upgraded from ACUITE B+)
	Term Loan	Long Term	1.20	ACUITE BB- Stable (Upgraded from ACUITE B+)
	Term Loan	Long Term	3.68	ACUITE BB- Stable (Upgraded from ACUITE B+)
	Term Loan	Long Term	1.17	ACUITE BB- Stable (Assigned)
	Working Capital Demand Loan	Long Term	1.10	ACUITE BB- Stable (Assigned)
	Term Loan	Long Term	1.40	ACUITE BB- Stable (Assigned)
08 Jul 2020	Proposed Bank Facility	Long Term	0.10	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	1.32	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	4.55	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	2.08	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	5.95	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	11.00	ACUITE B+ (Downgraded and Issuer not co-operating*)
02 May 2019	Term Loan	Long Term	4.55	ACUITE BB- Stable (Reaffirmed)
	Cash Credit	Long Term	11.00	ACUITE BB- Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	0.10	ACUITE BB- Stable (Reaffirmed)
	Term Loan	Long Term	5.95	ACUITE BB- Stable (Assigned)
	Term Loan	Long Term	2.08	ACUITE BB- Stable (Assigned)
	Term Loan	Long Term	1.32	ACUITE BB- Stable (Assigned)
		Long		

25 May 2018	Cash Credit	Term	8.00	ACUITE BB- Stable (Reaffirmed)
	Term Loan	Long Term	5.00	ACUITE BB- Stable (Reaffirmed)
	Proposed Bank Facility	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

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Canara Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	11.00	ACUITE BB- Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE BB- Reaffirmed Issuer not co-operating*
ICICI Bank Ltd	Not Applicable	Term Loan	27-03-2020	8.65	27-02-2026	1.20	ACUITE BB- Reaffirmed Issuer not co-operating*
ICICI Bank Ltd	Not Applicable	Term Loan	27-03-2020	8.65	27-02-2026	4.63	ACUITE BB- Reaffirmed Issuer not co-operating*
ICICI Bank Ltd	Not Applicable	Term Loan	27-03-2020	8.65	27-02-2026	1.39	ACUITE BB- Reaffirmed Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	3.68	ACUITE BB- Reaffirmed Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	1.15	ACUITE BB- Reaffirmed Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	0.08	ACUITE BB- Reaffirmed Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	1.40	ACUITE BB- Reaffirmed Issuer not co-

							operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	1.17	ACUITE BB- Reaffirmed Issuer not co-operating*
Canara Bank	Not Applicable	Working Capital Demand Loan (WC DL)	Not available	Not available	Not available	1.10	ACUITE BB- Reaffirmed Issuer not co-operating*
Canara Bank	Not Applicable	Working Capital Demand Loan (WC DL)	Not available	Not available	Not available	3.70	ACUITE BB- Reaffirmed Issuer not co-operating*

Contacts

Analytical	Rating Desk
Pooja Ghosh Head-Rating Operations Tel: 022-49294041 pooja.ghosh@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in
Shubhaditya Sarkar Analyst-Rating Operations Tel: 022-49294065 shubhaditya.sarkar@acuite.in	

About Acuité Ratings & Research

Acuité Ratings & Research 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 8,850 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 Kanjurmarg, Mumbai.

Disclaimer: An Acuité 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. Acuité 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, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité 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. Acuité 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 Acuité.