

Press Release

Senthilkumar Textile Mills Private Limited

April 23, 2021

Rating Withdrawn



Total Bank Facilities Rated*	Rs. 40.75 Cr.#
Long Term Rating	ACUITE BB+ (Downgraded from ACUITE BBB-/Stable) Withdrawn; Issuer not co-operating*
Short Term Rating	ACUITE A4+ (Downgraded from ACUITE A3) Withdrawn; Issuer not co-operating*

Refer Annexure for details

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

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and short term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3**' (read as **ACUITE A three**) on the Rs.40.75 crore bank facilities of Senthilkumar Textile Mills Private Limited (STMPL). This rating is now an indicative rating and is based on the best available information. The rating is downgraded on account of information risk. Further, the rating withdrawal is in accordance with Acuite's policy on withdrawal of rating.

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

About the Company

Tamil Nadu based Senthilkumar Textile Mills Private Limited (SKTPL), incorporated in 2004, under the directorship of Mr. Ramachandran Senthilkumar, R. Vaitapuri and R. Ramachandran. The company was formed to take-over the running business of 6 proprietorship concerns namely Kumar Yarn Stores, Senthil Traders, VRS Textiles, Rajeshwari Yarn Traders, Kumavel Yarn Traders and Arvind Yarn Traders. These firms were engaged in trading of cotton yarns. Later in 2006 the company started manufacturing of yarns with a capacity of 12,000 spindles and then added another 13,000 spindles in 2015 and now in FY20 the company has total capacity of 25,440 spindles. Currently the company is engaged in manufacturing and trading of cotton yarn. The company also outsources manufacturing of fabric. The yarns are of 40s to 100s counts used for manufacturing garments and home textiles.

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 the due date.

Acuite 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.

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/view-rating-criteria-52.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-53.htm>
- Manufacturing 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). 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.

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

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

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)

None

Any other information

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
09-June-2020	Cash Credit	Long Term	18.00	ACUITE BBB-/Stable (Upgraded)
	Term Loan I	Long Term	1.17	ACUITE BBB- (Withdrawn)
	Term Loan II	Long Term	0.72	ACUITE BBB- (Withdrawn)
	Term Loan III	Long Term	1.78	ACUITE BBB-/Stable (Upgraded)
	Term Loan IV	Long Term	3.75	ACUITE BBB-/Stable (Upgraded)
	Working Capital Demand Loan	Long Term	10.00	ACUITE BBB-/Stable (Upgraded)
	Proposed	Long Term	4.03	ACUITE BBB-/Stable (Assigned)
	Project related Bank Guarantee	Short Term	1.19	ACUITE A3 (Upgraded)
	Letter of Credit	Short Term	2.00	ACUITE A3 (Upgraded)
14-May-2020	Cash Credit	Long Term	18.00	ACUITE BB+ (Downgraded) Issuer not co-operating*
	Term Loan I	Long Term	1.17	ACUITE BB+ (Downgraded) Issuer not co-operating*
	Term Loan II	Long Term	0.72	ACUITE BB+ (Downgraded) Issuer not co-operating*
	Term Loan III	Long Term	3.56	ACUITE BB+ (Downgraded) Issuer not co-operating*
	Term Loan IV	Long Term	6.00	ACUITE BB+ (Downgraded) Issuer not co-operating*

	Working Capital Demand Loan	Long Term	10.00	ACUITE BB+ (Downgraded) Issuer not co-operating*
	Project related Bank Guarantee	Short Term	1.19	ACUITE A4+ (Downgraded) Issuer not co-operating*
	Letter of Credit	Short Term	2.00	ACUITE A4+ (Downgraded) Issuer not co-operating*
06-Mar-19	Cash Credit	Long Term	18.00	ACUITE BBB- / Stable (Reaffirmed)
	Term Loan I	Long Term	1.17	ACUITE BBB- / Stable (Reaffirmed)
	Term Loan II	Long Term	0.72	ACUITE BBB- / Stable (Reaffirmed)
	Term Loan III	Long Term	3.56	ACUITE BBB- / Stable (Reaffirmed)
	Term Loan IV	Long Term	6.00	ACUITE BBB- / Stable (Assigned)
	Working Capital Demand Loan	Long Term	10.00	ACUITE BBB- / Stable (Assigned)
	Project related Bank Guarantee	Short Term	1.19	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	2.00	ACUITE A3 (Reaffirmed)
	Proposed Long Term Limit	Long Term	5.71	ACUITE BBB- (Withdrawn)

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	18.00	ACUITE BB+; Withdrawn ; Indicative (Downgraded)
Working Capital Demand Loan	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE BB+; Withdrawn ; Indicative (Downgraded)
Term Loan III	Not Available	Not Available	Not Available	1.78	ACUITE BB+; Withdrawn ; Indicative (Downgraded)
Term Loan IV	Not Available	Not Available	Not Available	3.75	ACUITE BB+; Withdrawn ; Indicative (Downgraded)
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE A4+; Withdrawn ; Indicative (Downgraded)
Project related Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	1.19	ACUITE A4+; Withdrawn ; Indicative (Downgraded)
Proposed	Not Applicable	Not Applicable	Not Applicable	4.03	ACUITE BB+; Withdrawn ; Indicative (Downgraded)

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

Contacts

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About Acuité Ratings & Research:

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