

Press Release

Shri Mookambiga Spinning Mills Private Limited

September 18, 2020

Rating Update



Total Bank Facilities Rated	Rs. 31.50 Cr. #
Long Term Rating	ACUITE D Issuer not co-operating* (Downgraded from ACUITE B+/Stable)

Refer Annexure for details

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

Acuité has downgraded the long-term rating to '**ACUITE D**' (read as **ACUITE D**) from '**ACUITE B+**' (read as **ACUITE B plus**) on the Rs. 31.50 crore bank facilities of Shri Mookambiga Spinning Mills Private Limited (SMPL). This rating is now an indicative rating and is based on the best available information.

Acuité has downgraded the rating on account of information risk and feedback received from the banker with regards to the account conduct.

Incorporated in 1982, SMPL is a Tamil Nadu based company promoted by Mr. E. N. Othisamy and family. The company is engaged in manufacturing of cotton yarn from 24s to 60s count. The company also trades in cotton fabrics. SMPL has currently installed 32000 spindles with its manufacturing facility located at Dindigul (Tamil Nadu). The company also has its own captive power-generating windmill with a capacity of 6.65 MW.

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 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 Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.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). 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
15-Jul-2019	Cash Credit	Long Term	23.00	ACUITE B+/Stable (Downgraded from ACUITE BB-)
	Term Loan	Long Term	1.90	ACUITE B+/Stable (Downgraded from ACUITE BB-)
	Term Loan	Long Term	2.20	ACUITE B+/Stable (Downgraded from ACUITE BB-)
	Term Loan	Long Term	4.40	ACUITE B+/Stable (Assigned)
17-Apr-2019	Cash Credit	Long Term	23.00	ACUITE BB- (Indicative)
	Term Loan	Long Term	2.00	ACUITE BB- (Indicative)
	Term Loan	Long Term	2.86	ACUITE BB- (Indicative)
	Proposed Term Loan	Long Term	0.14	ACUITE BB- (Indicative)
09-Feb-2018	Cash Credit	Long Term	23.00	ACUITE BB-/Stable (Assigned)
	Term Loan	Long Term	2.00	ACUITE BB-/Stable (Assigned)
	Term Loan	Long Term	2.86	ACUITE BB-/Stable (Assigned)
	Proposed Term Loan	Long Term	0.14	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	23.00	ACUITE D Issuer not co-operating* (Downgraded from ACUITE B+/Stable)
Term Loan	May, 2017	Not Applicable	April, 2024	1.90	ACUITE D Issuer not co-operating* (Downgraded from ACUITE B+/Stable)
Term Loan	May, 2017	Not Applicable	Mar, 2026	2.20	ACUITE D Issuer not co-operating* (Downgraded from ACUITE B+/Stable)
Term Loan	Jan, 2019	Not Applicable	Dec, 2025	4.40	ACUITE D Issuer not co-operating* (Downgraded from ACUITE B+/Stable)

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Contacts

Analytical	Rating Desk
<p>Aditya Gupta Vice President - Corporate and Infrastructure Sector Ratings Tel: 022-49294041 aditya.gupta@acuited.in</p> <p>Grishma Muni Analyst - Rating Operations Tel: 02249294035 grishma.muni@acuited.in</p>	<p>Varsha Bist Senior Manager - Rating Desk Tel: 022-49294011 rating.desk@acuited.in</p>

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 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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