

Press Release

Mori Spinning Private Limited

December 10, 2019

Rating Update

Total Bank Facilities Rated#	Rs. 40.00 Cr.
Long Term Rating	ACUITE BB Withdrawn; Issuer not co-operating*
Short Term Rating	ACUITE A4+ Withdrawn; Issuer not co-operating*

#Refer Annexure for details

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

Rating Rationale

Acuité has withdrawn the long-term rating of '**ACUITE BB**' (**read as ACUITE double B**) and the short term rating of '**ACUITE A4+**' (**read as ACUITE A four plus**) on the Rs. 40.00 crore bank facilities of Mori Spinning Private Limited (MSPL). This rating is now withdrawn, indicative and is based on best available information.

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

MSPL, incorporated in the year 2016, is engaged in manufacturing of spinning yarn. It has set up an open ended spinning unit with 2208 rotors with a production capacity of 19500 Kgs of Open Ended yarn per day. The manufacturing unit is located near Somnath in the district of Amreli, Gujarat. Apart from selling in the local markets, MSPL is also exporting its material through Merchant Exporters on regular basis.

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-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

Particulars	Unit	2019	2018
Operating Income	Rs. Crore	106.75	41.35
Profit after tax (PAT)	Rs. Crore	3.87	0.87
PAT margin	%	3.63	2.09
Total debt / Tangible Net worth	Times	1.24	1.24
PBDIT / Interest	Times	5.11	5.00

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
07-Nov-2019	Cash Credit	Long Term	6.00	ACUITE BB (Indicative)
	Term Loan	Long Term	32.00	ACUITE BB (Indicative)
	Bank Guarantee	Short Term	2.00	ACUITE A4+ (Indicative)
30-Aug-2018	Cash Credit	Long Term	6.00	ACUITE BB/ Stable (Reaffirmed)
	Term Loan	Long Term	32.00	ACUITE BB/ Stable (Reaffirmed)
	Bank Guarantee	Short Term	2.00	ACUITE A4+ (Reaffirmed)
29-Mar-2018	Cash Credit	Long Term	6.00	ACUITE BB/ Stable (Assigned)
	Term Loan	Long Term	32.00	ACUITE BB/ Stable (Assigned)
	Bank Guarantee	Short Term	2.00	ACUITE A4+ (Assigned)

*Annexure – 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	6.00	ACUITE BB Withdrawn; Issuer not cooperating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	32.00	ACUITE BB Withdrawn; Issuer not cooperating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE A4+ Withdrawn; Issuer not cooperating*

*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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