

Press Release

Mahesh Kumar Spinning Mills Private Limited

February 01, 2022



Rating Reaffirmed and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|---|------------------|--|---|
| Bank Loan Ratings | 9.60 | ACUITE B Reaffirmed Issuer not co-operating* | - |
| Bank Loan Ratings | 0.60 | - | ACUITE A4 Reaffirmed Issuer not co-operating* |
| Total Outstanding Quantum (Rs. Cr) | 10.20 | - | - |
| Total Withdrawn Quantum (Rs. Cr) | 0.00 | - | - |

Rating Rationale

Acuité has reaffirmed the long-term rating of '**ACUITE B**' (**read as ACUITE B**) and the short term rating of '**ACUITE A4**' (**read as ACUITE A four**) on the Rs. 10.20 crore bank facilities of Mahesh Kumar Spinning Mills Private Limited. The rating continues to be flagged as "Issuer Not-Cooperating" and is based on best available information.

About the Company

Mahesh Kumar Spinning Mills Private Limited (MSMP), incorporated in 2002, is primarily engaged in the manufacturing of cotton yarn and hosiery cloth. The manufacturing facility is located at Tirupur (Tamil Nadu) with 96 knitting machines and 14112 spindles. It manufactures cotton yarn with counts 20s to 30s. It also has windmills with an installed power generation capacity of 2.5 mega-watt (MW), and solar power plant with capacity 300 KW in and around Coimbatore (Tamil Nadu). MSMP is promoted by Mr. R Balasubramaniam and his son, Mr. B Senthil Kumar. The day today operations of the entity is managed by Mr. B Senthil Kumar under the supervision of his father. Mr. B Senthil Kumar possesses around two decades of experience and Mr. R Balasubramaniam possess around four decades of experience in the textile business.

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.

This rating is therefore being 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 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 attempts.

Rating Sensitivity

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

Material Covenants

None.

Liquidity Position

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

Outlook

Not Applicable.

Status of non-cooperation with previous CRA

None.

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

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

Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|-------------|--------------------------------|------------|-----------------|--------------------------------------|
| 02 Nov 2020 | Standby Line of Credit | Short Term | 0.60 | ACUITE A4 (Issuer not co-operating*) |
| | Working Capital Demand Loan | Long Term | 5.00 | ACUITE B (Issuer not co-operating*) |
| | Cash Credit | Long Term | 4.60 | ACUITE B (Issuer not co-operating*) |
| 09 Aug 2019 | Cash Credit | Long Term | 4.60 | ACUITE B (Issuer not co-operating*) |
| | Working Capital Demand Loan | Long Term | 5.00 | ACUITE B (Issuer not co-operating*) |
| | Standby Line of Credit | Short Term | 0.60 | ACUITE A4 (Issuer not co-operating*) |
| 05 Jun 2018 | Cash Credit | Long Term | 4.60 | ACUITE B Stable (Assigned) |
| | Working Capital Demand Loan | Long Term | 5.00 | ACUITE B Stable (Assigned) |
| | Standby Line of Credit | Short Term | 0.60 | ACUITE A4 (Assigned) |

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Quantum (Rs. Cr.) | Rating |
|----------------------|----------------|------------------------------------|-------------------------|--------------------|----------------------|--------------------------|---|
| State Bank of India | Not Applicable | Cash Credit | Not Applicable | Not Applicable | Not Applicable | 4.60 | ACUITE B Reaffirmed Issuer not co-operating* |
| State Bank of India | Not Applicable | Stand By Line of Credit | Not Applicable | Not Applicable | Not Applicable | 0.60 | ACUITE A4 Reaffirmed Issuer not co-operating* |
| State Bank of India | Not Applicable | Working Capital Demand Loan (WCDL) | Not available | Not available | Not available | 5.00 | ACUITE B Reaffirmed Issuer not co-operating* |

Contacts

| Analytical | Rating Desk |
|---|--|
| Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in | Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in |
| Aditya Sahu Analyst-Rating Operations Tel: 022-49294065 aditya.sahu@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.