

Press Release

Sri Selvam Textiles

November 08, 2021



Rating Update

Total Bank Facilities Rated*	Rs.13.89 Cr. #
Long Term Rating	ACUITE D (Downgraded from ACUITE B+) Issuer not co-operating*
Long Term Rating	ACUITE C (Downgraded from ACUITE B+) Issuer not co-operating*

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 double B plus**) and the long-term rating to '**ACUITE C**' (**read as ACUITE D**) from '**ACUITE B+**' (**read as ACUITE B plus**) on the Rs.13.89 crore bank facilities of Sri Selvam Textiles (SST). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

The downgrade is in view of delays in servicing the debt obligation.

Coimbatore (Tamil Nadu) based, Sri Selvam Textiles (SST) was established as a proprietorship firm in 1983 by Mr. N. Selvam. The firm is engaged in manufacturing of cotton yarn. The firm has an installed capacity of 2300 tons per annum.

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>
- Financial Ratios and Adjustments - <https://www.acuite.in/view-rating-criteria-53.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 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 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)

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
31-Aug-2021	Term Loan	Long Term	3.33	ACUITE B+ (Indicative)
	Term Loan	Long Term	0.73	ACUITE B+ (Indicative)
	Term Loan	Long Term	0.57	ACUITE B+ (Indicative)
	Term Loan	Long Term	0.17	ACUITE B+ (Indicative)
	Term Loan	Long Term	1.20	ACUITE B+ (Indicative)
	Proposed Bank Facility	Long Term	3.00	ACUITE B+ (Indicative)
	Cash Credit	Long Term	3.50	ACUITE B+ (Indicative)
	Term Loan	Long Term	1.30	ACUITE B+ (Indicative)
	Proposed Bank Facility	Long Term	0.09	ACUITE B+ (Indicative)
12-Jun-2020	Term Loan	Long Term	3.33	ACUITE B+ (Downgraded from ACUITE BB-/ Stable; Indicative)
	Term Loan	Long Term	0.73	ACUITE B+ (Downgraded from ACUITE BB-/ Stable; Indicative)
	Term Loan	Long Term	0.57	ACUITE B+ (Downgraded from ACUITE BB-/ Stable; Indicative)
	Term Loan	Long Term	0.17	ACUITE B+ (Downgraded from ACUITE BB-/ Stable; Indicative)
	Term Loan	Long Term	1.20	ACUITE B+ (Downgraded from ACUITE BB-/ Stable; Indicative)
	Proposed Bank Facility	Long Term	3.00	ACUITE B+ (Downgraded from ACUITE BB-/ Stable; Indicative)
	Cash Credit	Long Term	3.50	ACUITE B+ (Downgraded from ACUITE BB-/ Stable; Indicative)
	Term Loan	Long Term	1.30	ACUITE B+ (Downgraded from ACUITE BB-/ Stable; Indicative)
	Proposed Bank Facility	Long Term	0.09	ACUITE B+ (Downgraded from ACUITE BB-/ Stable; Indicative)
29-Mar-2019	Term Loan	Long Term	3.33	ACUITE BB-/ Stable (Reaffirmed)

27-Jun-2018	Term Loan	Long Term	0.73	ACUITE BB-/ Stable (Reaffirmed)
	Term Loan	Long Term	0.57	ACUITE BB-/ Stable (Reaffirmed)
	Term Loan	Long Term	0.17	ACUITE BB-/ Stable (Reaffirmed)
	Term Loan	Long Term	1.20	ACUITE BB-/ Stable (Assigned)
	Proposed Bank Facility	Long Term	3.00	ACUITE BB-/ Stable (Assigned)
	Cash Credit	Long Term	3.50	ACUITE BB-/ Stable (Assigned)
	Term Loan	Long Term	1.30	ACUITE BB-/ Stable (Assigned)
	Proposed Bank Facility	Long Term	0.09	ACUITE BB-/ Stable (Assigned)

#Annexure – Details of instruments rated

Lender Name	Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
SIDBI	Term Loan	Not Available	Not Available	Not Available	3.33	ACUITE D (Downgraded from ACUITE B+) Issuer not co-operating*
SIDBI	Term Loan	Not Available	Not Available	Not Available	0.73	ACUITE D (Downgraded from ACUITE B+) Issuer not co-operating*
SIDBI	Term Loan	Not Available	Not Available	Not Available	0.57	ACUITE D (Downgraded from ACUITE B+) Issuer not co-operating*
SIDBI	Term Loan	Not Available	Not Available	Not Available	0.17	ACUITE D (Downgraded from ACUITE B+) Issuer not co-operating*
SIDBI	Term Loan	Not Available	Not Available	Not Available	1.20	ACUITE D (Downgraded from ACUITE B+) Issuer not co-operating*
SIDBI	Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE C (Downgraded from ACUITE B+) Issuer not co-operating*
Indian Overseas Bank	Cash Credit	Not Applicable	Not Applicable	Not Applicable	3.50	ACUITE C (Downgraded from ACUITE B+) Issuer not co-operating*

Indian Overseas Bank	Term Loan	Not Available	Not Available	Not Available	1.30	ACUITE C (Downgraded from ACUITE B+) Issuer not co-operating*
Not Applicable	Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	0.09	ACUITE C (Downgraded from ACUITE B+) Issuer not co-operating*

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

Contacts

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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.

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