

Press Release

Selvi Spinning Mill

January 04, 2021



Rating Update

Total Bank Facilities Rated*	Rs.11.88 Cr. #
Long Term Rating	ACUITE B+ Issuer not co-operating*
Short Term Rating	ACUITE A4 Issuer not co-operating*

Refer Annexure for details

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

Rating Rationale

Acuité has reviewed the long term rating of '**ACUITE B+**' (**read as ACUITE B Plus**) and the short term rating of '**ACUITE A4**' (**read as ACUITE A Four**) on the Rs.11.88 Crore bank facilities of Selvi Spinning Mill (SSM). This rating is now an indicative rating is based on the best available information.

About the Firm

SSM, established in 1999 by Mr. K.R. Subramanian, is a Coimbatore based proprietorship firm. Currently, the day to day operations are managed by Mr. Ranjith Subramanian (Son of Mr. K.R. Subramanian). SSM is engaged in manufacturing of cotton yarn with an average count of 60s. SSM has total 12768 spindles. SSM also has two windmills one with 750 KW and another with 800 KW and the complete power from these windmill is used for own consumption. The concern procures raw cotton from Maharashtra, Telangana and Tamil Nadu and sells yarn through dealers in Coimbatore and Mumbai.

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.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-51.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/view-rating-criteria-55.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 has 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.

Liquidity Position

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

Rating Sensitivities

No information provided by the issuer / available for Acuité 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
06-Mar-2019	Cash Credit	Long Term	4.50	ACUITE B+ / Stable (Assigned)
	Term loan I	Long Term	0.25	ACUITE B+ / Stable (Assigned)
	Term loan II	Long Term	1.25	ACUITE B+ / Stable (Assigned)
	Term loan III	Long Term	1.04	ACUITE B+ / Stable (Assigned)
	Term loan IV	Long Term	1.75	ACUITE B+ / Stable (Assigned)
	Proposed Term Loan	Long Term	3.00	ACUITE B+ / Stable (Assigned)
	Bank guarantee	Short Term	0.09	ACUITE A4 (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	4.50	ACUITE B+ Issuer not co-operating*
Term loan I	Not Available	Not Available	Not Available	0.25	ACUITE B+ Issuer not co-operating*
Term loan II	Not Available	Not Available	Not Available	1.25	ACUITE B+ Issuer not co-operating*
Term loan III	Not Available	Not Available	Not Available	1.04	ACUITE B+ Issuer not co-operating*
Term loan IV	Not Available	Not Available	Not Available	1.75	ACUITE B+ Issuer not co-operating*
Proposed Term Loan	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE B+ Issuer not co-operating*

Bank guarantee	Not Applicable	Not Applicable	Not Applicable	0.09	ACUITE A4 Issuer not co-operating*
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*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 8,498 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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