

Press Release

Selvi Spinning Mill

March 28, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	0.09	-	ACUITE A4 Reaffirmed Issuer not co-operating*
Bank Loan Ratings	11.79	ACUITE B+ Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	11.88	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed 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 continues to be an indicative rating is based on the best available information.

About the Company

Tamil Nadu based 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:

Acuite 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.

Acuite 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.

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). Acuite 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.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Rating Sensitivity

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

Material Covenants

Not Applicable

Liquidity Position

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

Outlook

Not Applicable

Status of non-cooperation with previous CRA

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.

Applicable Criteria

- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of 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>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
04 Jan 2021	Term Loan	Long Term	0.25	ACUITE B+ (Issuer not co-operating*)
	Proposed Term Loan	Long Term	3.00	ACUITE B+ (Issuer not co-operating*)
	Term Loan	Long Term	1.25	ACUITE B+ (Issuer not co-operating*)
	Term Loan	Long Term	1.04	ACUITE B+ (Issuer not co-operating*)

	Term Loan	Long Term	1.75	ACUITE B+ (Issuer not co-operating*)
	Cash Credit	Long Term	4.50	ACUITE B+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	0.09	ACUITE A4 (Issuer not co-operating*)
06 Mar 2019	Cash Credit	Long Term	4.50	ACUITE B+ Stable (Assigned)
	Term Loan	Long Term	1.75	ACUITE B+ Stable (Assigned)
	Term Loan	Long Term	1.25	ACUITE B+ Stable (Assigned)
	Bank Guarantee	Short Term	0.09	ACUITE A4 (Assigned)
	Proposed Term Loan	Long Term	3.00	ACUITE B+ Stable (Assigned)
	Term Loan	Long Term	0.25	ACUITE B+ Stable (Assigned)
	Term Loan	Long Term	1.04	ACUITE B+ Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Indian Overseas Bank	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	0.09	ACUITE A4 Reaffirmed Issuer not co-operating*
Indian Overseas Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.50	ACUITE B+ Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Term Loan	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE B+ Reaffirmed Issuer not co-operating*
Indian Overseas Bank	Not Applicable	Term Loan	Not available	Not available	Not available	0.25	ACUITE B+ Reaffirmed Issuer not co-operating*
Indian Overseas Bank	Not Applicable	Term Loan	Not available	Not available	Not available	1.25	ACUITE B+ Reaffirmed Issuer not co-operating*
Small Industries Development Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	1.04	ACUITE B+ Reaffirmed Issuer not co-operating*
Small Industries Development Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	1.75	ACUITE B+ Reaffirmed Issuer not co-operating*

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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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