

Press Release

Sree Astalaxmi Spinning Mills Private Limited

July 10, 2020

Rating Update



Total Bank Facilities Rated#	Rs.10.00 Cr.#
Long Term Rating	ACUITE BB (Downgraded from ACUITE BBB-/ Stable) Issuer not co-operating*

#Refer Annexure for details

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

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB**' (read as **ACUITE double B**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) to the Rs.10.00 crore bank facilities of Sree Astalaxmi Spinning Mills Private Limited. This rating is now an indicative rating and is based on the best available information. The rating downgrade is on account of information risk.

Sree Astalaxmi Spinning Mills Private Limited was incorporated on 13th July 2001 and is engaged in the business of manufacturing cotton yarn. The company is managed by Mr. Mahesh Kumar Khetan (Managing Director), Mr. Vikrant Kumar Khetan (Director), Mrs. Vidya Devi Khetan (Director) and Mrs. Kirti Khetan (Director). The company has 42000 spindles out of which 80%-90% is being utilized and produces yarn of 40's to 70's counts.

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.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

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.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.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). Acuite endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuite 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.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

Acuite 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
09-May-2019	Cash Credit	Long Term	10.00	ACUITE BBB-/ Stable (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	10.00	ACUITE BB (Downgraded from ACUITE BBB-/Stable) Issuer not co-operating*

Contacts

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About Acuite Ratings & Research:

Acuite 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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