



Press Release
Pongalur Pioneer Textiles Private Limited
October 30, 2024
Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	50.49	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	27.51	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	78.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

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

Rating Rationale

Acuite has downgraded its long-term rating to 'ACUITE BB+' (read as ACUITE double B plus) from 'ACUITE BBB' (read as ACUITE triple B) and the short-term rating to 'ACUITE A4+' (read as ACUITE A four plus) from ACUITE A3+' (read as ACUITE A three plus) on the Rs. 78.00 crore bank facilities of Pongalur Pioneer Textiles Private Limited (PPTPL).

This rating is now flagged as issuer not cooperating on account of information risk and is based on best available information. The rating has been downgraded on account of information risk.

About the Company

Incorporated in 1990, Pongalur Pioneer Textiles Private Limited (PPTPL), is promoted by Mr. Selvapathy Venkataswamynaidu. Located in Pongalur, Tamilnadu, the company is engaged in manufacture of combed warp cotton yarn in fine counts (60's to 120's). PPTL commenced operations in 1992 with a spindleage of 3000 spindles. The company currently has an installed capacity of 1,41,5521, spindles operating at ~96 percent capacity. PPTPL has a windmill with installed capacity of 1.675 megawatt (MW) in Tamil Nadu which supports about 10 per cent of its power requirement.

Unsupported Rating

Not Applicable

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 noncooperation 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 Acuite'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). Acuite endeavored 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.

Rating Sensitivities

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

Liquidity Position

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

Outlook: Not applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	221.03	192.84
PAT	Rs. Cr.	0.05	9.50
PAT Margin	(%)	0.02	4.93
Total Debt/Tangible Net Worth	Times	0.79	0.66
PBDIT/Interest	Times	2.00	4.95

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
10 Aug 2023	Cash Credit	Long Term	5.75	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	2.00	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	0.09	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	0.11	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	1.74	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	1.57	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	1.26	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	0.63	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	1.53	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	1.31	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	1.58	ACUITE BBB Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	0.86	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	14.76	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	1.71	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	4.79	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	9.58	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	1.22	ACUITE BBB Stable (Reaffirmed)
	Letter of Credit	Short Term	20.00	ACUITE A3+ (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	0.51	ACUITE A3+ (Reaffirmed)
	Letter of Credit	Short Term	7.00	ACUITE A3+ (Reaffirmed)
	Letter of Credit	Short Term	20.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Bank Guarantee/Letter of Guarantee	Short Term	0.51	ACUITE A3+ (Upgraded from ACUITE A3)
	Letter of Credit	Short Term	7.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Cash Credit	Long Term	5.75	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Cash Credit	Long Term	2.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	0.09	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	0.11	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	1.74	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	1.57	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)

27 May 2022	Term Loan	Long Term	1.26	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	0.63	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	1.53	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	1.31	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	1.58	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Proposed Long Term Bank Facility	Long Term	0.86	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	4.79	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	9.58	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	1.22	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	1.71	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	0.06	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	14.70	ACUITE BBB Stable (Assigned)
01 Feb 2021	Cash Credit	Long Term	5.75	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	2.00	ACUITE BBB- Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	0.86	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.13	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.11	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	2.24	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	2.10	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.50	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.70	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.69	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.31	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.04	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	0.06	ACUITE BBB- Stable (Assigned)
	Bank Guarantee (BLR)	Short Term	0.51	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	20.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	7.00	ACUITE A3 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Karur Vysya Bank	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.51	Simple	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3+)
Karur Vysya Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Karur Vysya Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.75	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Karur Vysya Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3+)
Karur Vysya Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	7.00	Simple	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3+)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.86	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Karur Vysya Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	14.76	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Karur Vysya Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.71	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Karur Vysya Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.79	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Karur Vysya Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.58	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Karur Vysya Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.22	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Karur Vysya Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.09	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Karur Vysya Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.11	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Karur Vysya Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.74	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
* The issuer did not co-operate; based on best available information.	Not avl.							ACUITE BB+

Vysya Bank	/ Not appl.	Term Loan	Not avl. / Not appl.	/ Not appl.	Not avl. / Not appl.	1.57	Simple	Downgraded Issuer not co-operating* (from ACUITE BBB)
Karur Vysya Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.26	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Karur Vysya Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.63	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Karur Vysya Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.53	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Karur Vysya Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.31	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Karur Vysya Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.58	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)

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

Contacts

Mohit Jain Senior Vice President-Rating Operations	Contact details exclusively for investors and lenders
Moparthi Anuradha Devi Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

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