

Press Release

RAJAGURU SPINNING MILLS PRIVATE LIMITED

May 23, 2024

Rating Reaffirmed, Withdrawn & Issuer Not Cooperating



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Ratings Loan	257.71	ACUITE BB+ Reaffirmed & Withdrawn Issuer not co-operating*	-
Bank Ratings Loan	1.29	Not Applicable Withdrawn	-
Bank Ratings Loan	1.00	-	ACUITE A4+ Reaffirmed & Withdrawn Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	260.00	-	-

Rating Rationale

Acuite has reaffirmed and withdrawn the long-term rating to 'ACUITE BB+' (read as ACUITE Double B plus) and the short-term rating to 'ACUITE A4+' (read as ACUITE A four plus) on Rs. 258.71 crore bank facilities of Rajaguru Spinning Mills Private Limited and withdrawn the proposed long-term facilities of Rs. 1.29 crore without assigning any rating of Rajaguru Spinning Mills Private Limited. The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

The rating has been withdrawn as per Acuite's policy of withdrawal of ratings as applicable to the respective instrument/facility. The rating has been withdrawn on account of the request received from the company and the NOC(No Objection Certificate) received from the banker.

About the Company

Established in 1993 as a private limited company, Rajaguru Spinning Mills Private Limited (RSMPL) is engaged in manufacturing of 100% Viscose Knitting and weaving yarn with counts ranging from 10s to 40s. RSMPL has three spinning units in Pallipalayam, Erode, Tamil-Nadu with total spinning capacity of 1,26,696 spindles and 480 air jet spinning Units. RSMPL also has windmills with total capacity of 28MW in Tamil-Nadu. The present directors of the company are Mr. Balu Kalyani, Mr. Sellappan Balu, Mr. Balu Sivakumar, Mr. Balu Vinothkumar.

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 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.

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 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.

Rating Sensitivity

"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.	743.86	673.77
PAT	Rs. Cr.	3.13	14.49
PAT Margin	(%)	0.42	2.15
Total Debt/Tangible Net Worth	Times	1.93	1.90
PBDIT/Interest	Times	2.87	5.20

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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

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
15 May 2024	Cash Credit	Long Term	30.00	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	11.00	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Letter of Credit	Short Term	1.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Proposed Long Term Bank Facility	Long Term	1.29	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	58.68	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	5.90	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	5.90	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	21.26	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	15.80	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	8.46	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	6.70	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	30.00	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	1.23	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	22.80	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	29.98	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
15 Feb 2023	Cash Credit	Long Term	30.00	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	11.00	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Letter of Credit	Short Term	1.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Proposed Long Term Bank Facility	Long Term	1.29	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	58.68	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	5.90	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	5.90	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
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	Term Loan	Term	8.46	operating*)
	Term Loan	Long Term	6.70	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	30.00	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	1.23	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	22.80	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	29.98	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
18 Nov 2021	Cash Credit	Long Term	30.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
	Cash Credit	Long Term	10.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
	Cash Credit	Long Term	11.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
	Letter of Credit	Short Term	1.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A2)
	Proposed Long Term Bank Facility	Long Term	1.29	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
	Term Loan	Long Term	5.90	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
	Term Loan	Long Term	5.90	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
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	Term Loan	Long Term	29.98	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
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	Term Loan	Long Term	1.23	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
	Term Loan	Long Term	30.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
	Term Loan	Long Term	6.70	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
	Term Loan	Long Term	8.46	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
	Term Loan	Long Term	15.80	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
	Term Loan	Long Term	21.26	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	30.00	ACUITE BB+ Reaffirmed & Withdrawn Issuer not co-operating*
Axis Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	11.00	ACUITE BB+ Reaffirmed & Withdrawn Issuer not co-operating*
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.00	ACUITE BB+ Reaffirmed & Withdrawn Issuer not co-operating*
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.00	ACUITE A4+ Reaffirmed & Withdrawn Issuer not co-operating*
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.29	Not Applicable Withdrawn
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	58.68	ACUITE BB+ Reaffirmed & Withdrawn Issuer not co-operating*
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	5.90	ACUITE BB+ Reaffirmed & Withdrawn Issuer not co-operating*
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	5.90	ACUITE BB+ Reaffirmed & Withdrawn Issuer not co-operating*
Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	21.26	ACUITE BB+ Reaffirmed & Withdrawn Issuer not co-operating*
Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	15.80	ACUITE BB+ Reaffirmed & Withdrawn Issuer not co-operating*
Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	8.46	ACUITE BB+ Reaffirmed & Withdrawn Issuer not co-operating*
Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	6.70	ACUITE BB+ Reaffirmed & Withdrawn Issuer not co-operating*
Axis Bank	Not avl. / Not	Term Loan	Not avl. / Not appl.	Not avl. / Not	Not avl. / Not	Simple	30.00	ACUITE BB+ Reaffirmed & Withdrawn Issuer not

	appl.			appl.	appl.			co-operating*
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.23	ACUITE BB+ Reaffirmed & Withdrawn Issuer not co-operating*
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	22.80	ACUITE BB+ Reaffirmed & Withdrawn Issuer not co-operating*
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	29.98	ACUITE BB+ Reaffirmed & Withdrawn Issuer not co-operating*

Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294017 mohit.jain@acuite.in Sahil Sawant Associate-Rating Operations Tel: 022-49294065 sahil.sawant@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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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