

Press Release

Amman Spinning Mills



November 24, 2021

Rating Downgraded and Issuer not co-operating

Product	Net Quantum (Rs. Cr)	Withdrawn Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	11.34	0.00	ACUITE B+ Downgraded Issuer not co-operating*	
Total	11.34	0.00	-	-

Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE B+** (read as **ACUITE B plus**) from '**ACUITE BB-** (read as **ACUITE double B minus**) on the Rs.11.34 Cr bank facilities of Amman Spinning Mills (ASM). The rating is flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Entity

Amman Spinning Mills (ASM) is a Coimbatore (Tamilnadu) based partnership firm established in 2005. The firm is promoted by Mr. S. A. Mahalingam, Mr. S. A. Rajamanickam, Mr. S. D. Mantharachalam, Mr. S. D. Kumaravel, Mr. S. K. Balakrishnan, Mr. S. K. Govindaraj. ASM is engaged in manufacturing of cotton yarn and it has a manufacturing unit in Sultanpet, Coimbatore District, Tamilnadu. Currently, the firm has an installed capacity of 13,200 spindles and the manufacturing count ranging from 30-40s. The firm also owns two 64 KW windmills for captive use.

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 unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is 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 endeavored 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 Acuite to comment upon.

Rating Sensitivities

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

Material Covenants

Not Applicable

Outlook

Not Applicable

Key Financial

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

Status of non-cooperation with previous CRA

None

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

- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
07 Sep 2020	Term Loan	Long Term	3.67	ACUITE BB- Stable (Assigned)
	Proposed Bank Facility	Long Term	1.17	ACUITE BB- Stable (Assigned)
	Cash Credit	Long Term	6.50	ACUITE BB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Size Of Issue	Rating
Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	1.17	ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-)
Indian Bank	Cash Credit	Not Applicable	Not Applicable	Not Applicable	6.50	ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-)
Indian Bank	Term Loan	Not available	Not available	Not available	3.67	ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-)

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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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