



**Press Release**  
**Srinath Weaving Mills LLP**  
**October 01, 2024**  
**Rating Downgraded and Issuer not co-operating**

| Product   | Quantum (Rs. Cr) | Long Term Rating                                  | Short Term Rating |
|---|------------------|---|-------------------|
| Bank Loan Ratings   | 17.00            | ACUITE B+   Downgraded   Issuer not co-operating* | -                 |
| Total Outstanding Quantum (Rs. Cr)                                    | 17.00            | -   | -                 |
| Total Withdrawn Quantum (Rs. Cr)                                      | 0.00             | -   | -                 |
| * The issuer did not co-operate; based on best available information. |                  |   |                   |

**Rating Rationale**

Acuite 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 17.00 crore bank facilities of Srinath Weaving Mills LLP (SWM) on account of information risk. The rating continues to be flagged as "Issuer Not-Cooperating" and the downgrade is based on information risk.

**About the Company**

Srinath Weaving Mills LLP (SWM) was incorporated in Palladam of Tiruppur district in Tamil Nadu in the year 2017 and is currently promoted by Mr. Pawankumar Choudhary and Mr. Rajagopal Kumarasamy. The Firm is engaged in Manufacturing of Rayon filament fabrics, Grey fabric.

**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 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, 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 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 ratings are based.

**Rating Sensitivity**

"No information provided by the issuer / available for Acuité 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 21 (Actual) | FY 20 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income              | Rs. Cr. | 39.23          | 50.02          |
| PAT                           | Rs. Cr. | 0.99           | 3.22           |
| PAT Margin                    | (%)     | 2.53           | 6.44           |
| Total Debt/Tangible Net Worth | Times   | 2.58           | 2.64           |
| PBDIT/Interest                | Times   | 2.20           | 3.55           |

## 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, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite'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](http://www.acuite.in).

## Rating History

| Date        | Name of Instruments/Facilities | Term      | Amount (Rs. Cr) | Rating/Outlook   |
|-------------|--------------------------------|-----------|-----------------|--|
| 05 Jul 2023 | Cash Credit                    | Long Term | 6.00            | ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB   Stable) |
|             | Term Loan                      | Long Term | 11.00           | ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB   Stable) |
| 22 Apr 2022 | Cash Credit                    | Long Term | 6.00            | ACUITE BB   Stable (Reaffirmed)  |
|             | Term Loan                      | Long Term | 11.00           | ACUITE BB   Stable (Reaffirmed)  |
| 22 Jan 2021 | Cash Credit                    | Long Term | 6.00            | ACUITE BB   Stable (Assigned)  |
|             | Term Loan                      | Long Term | 11.00           | ACUITE BB   Stable (Assigned)  |

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

**Annexure - Details of instruments rated**

| <b>Lender's Name</b> | <b>ISIN</b>          | <b>Facilities</b> | <b>Date Of Issuance</b> | <b>Coupon Rate</b> | <b>Maturity Date</b> | <b>Quantum (Rs. Cr.)</b> | <b>Complexity Level</b> | <b>Rating</b>   |
|----------------------|----------------------|-------------------|-------------------------|--------------------|----------------------|--------------------------|-------------------------|---|
| Canara Bank          | Not avl. / Not appl. | Cash Credit       | Not avl. / Not appl.    | 10.25              | Not avl. / Not appl. | 6.00                     | Simple                  | ACUITE B+   Downgraded   Issuer not co-operating* ( from ACUITE BB- ) |
| Canara Bank          | Not avl. / Not appl. | Term Loan         | 29 Oct 2017             | 10.25              | 29 Jan 2026          | 11.00                    | Simple                  | ACUITE B+   Downgraded   Issuer not co-operating* ( from ACUITE BB- ) |

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

## Contacts

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|---|---|
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### 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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