

Press Release
Sivasubramania Textiles
July 26, 2024



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	14.62	ACUITE BB+ Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	14.62	-	-

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**) on Rs.14.62 Cr. bank facilities of Sivasubramania Textiles.

The downgraded is on account of information risk. The rating is now flagged as "Issuer Not-Cooperating" and is based on the best available information.

About the Company

Established in 1985 Sivasubramania Textiles is a partnership firm engaged in manufacturing of cotton, yarn and cloth. It also generates wind power energy. Mr. Venkatasamy Sampathkumar and Mr. Venkatasamy Ramamoorthy are the partners of the firm. Its registered office is in Coimbatore.

About the Group

Sivasubramania textiles (SST), Vellingiri andavar textiles private Limited (VATPL) and C N V textiles private Limited are the group companies managed by two brothers C.V. Ramamoorthy and C.V Sampath Kumar. The promoter of the group C.N Venkataswami during 1985 incorporated CNV textiles private Limited as a ginning factory. Later, diluted into Sivasubramania textiles and Vellingiri andavar Textiles private Limited and started Yarn manufacturing. The group produces yarn of 20s to 80s counts and compact yarn. Currently the group has the production capacity of 100,000 spindles and 10 rotors. The group has its own wind mills which can produce 10 M.W of electricity. Apart from these the group also have solar electricity system (Including ground mounted and rooftop)which can produce around 18 M.W electricity these contribute around 90% of the power usage of the group.

Unsupported Rating

Not Applicable

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 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 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.

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 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	243.26	144.68
PAT	Rs. Cr.	15.17	11.94
PAT Margin	(%)	6.24	8.25
Total Debt/Tangible Net Worth	Times	1.16	0.65
PBDIT/Interest	Times	6.92	7.58

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>
- Rating Process and Timeline: <https://www.acuite.in/view-rating-criteria-67.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
05 May 2023	Term Loan	Long Term	4.62	ACUITE BBB Stable (Assigned)
	Cash Credit	Long Term	10.00	ACUITE BBB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Catholic Syrian Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	4.62	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr.No.	Company Name
1	C N V Textiles Private Limited
2	Sivasubramania Textiles
3	Vellingiri Andavar Textiles Private Limited

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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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