

Press Release

Prassanna Spinning Mills Private Limited

February 03, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	96.54	ACUITE BB- Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	96.54	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB-**' (read as **ACUITE double B Minus**) from '**ACUITE BB**' (read as **ACUITE double B**) on the Rs. 96.54 crore bank facilities of Prassanna Spinning Mills Private Limited. The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

Prassanna Spinning Mills Private Limited (PSPL) was incorporated in 2006 with Mr. P.S.Veluswamy, Mr. C. Kandaswamy, Mrs. R. Geetha and Mr. S.D. Rathinasabapathy as directors. In FY2013-14, Mr. P.S.Veluswamy, and Mr. C. Kandaswamy retired from the company. Currently, the management of the company is looked after by Mr. S.D. Rathinasabapathy. PSPL manufacturing unit is located at Vendasandur, Dindigul.

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.

This rating continues to be 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.

About the Rated Entity - Key Financials

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

Rating Sensitivity

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

Material Covenants

None.

Liquidity Position

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

Outlook

Not Applicable.

Status of non-cooperation with previous CRA

None.

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

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

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
04 Nov 2020	Cash Credit	Long Term	65.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Proposed Bank Facility	Long Term	11.60	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	19.94	ACUITE BB (Downgraded and Issuer not co-operating*)
13 Aug 2019	Term Loan	Long Term	19.94	ACUITE BB+ (Issuer not co-operating*)
	Proposed Bank Facility	Long Term	11.60	ACUITE BB+ (Issuer not co-operating*)
	Cash Credit	Long Term	65.00	ACUITE BB+ (Issuer not co-operating*)
04 Jun 2018	Cash Credit	Long Term	65.00	ACUITE BB+ Stable (Downgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	19.94	ACUITE BB+ Stable (Downgraded from ACUITE BBB- Stable)
	Proposed Bank Facility	Long Term	11.60	ACUITE BB+ Stable (Downgraded from ACUITE BBB- Stable)
04 May 2017	Cash Credit	Long Term	65.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	19.94	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	11.60	ACUITE BBB- Stable (Reaffirmed)
18 Feb 2016	Term Loan	Long Term	12.89	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	45.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	18.65	ACUITE BBB- Stable (Assigned)
11 Feb	Cash Credit	Long Term	30.00	ACUITE BBB- Stable (Reaffirmed)

2015	Term Loan	Long Term	12.89	ACUITE BBB- Stable (Reaffirmed)
27 Jan 2014	Cash Credit	Long Term	30.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	12.89	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
HDFC Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	65.00	ACUITE BB- Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	11.60	ACUITE BB- Downgraded Issuer not co-operating*
HDFC Bank Ltd	Not Applicable	Term Loan	Not available	Not available	Not available	19.94	ACUITE BB- Downgraded Issuer not co-operating*

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in Shivam Agarwal Analyst-Rating Operations Tel: 022-49294065 shivam.agarwal@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.