

Press Release

PRASSANNA SPINNING MILLS PRIVATE LIMITED

July 05, 2023



Rating Downgraded & Withdrawn, Withdrawn and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	SI
Bank Loan Ratings	84.94	ACUITE B+ Downgraded & Withdrawn Issuer not co-operating*	-
Bank Loan Ratings	11.60	Not Applicable Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	96.54	-	-

Rating Rationale

Acuite has downgraded & withdrawn its long term rating to 'ACUITE B+' (read as ACUITE B plus)' from ACUITE BB- (read as ACUITE double B minus) on the Rs 84.94 crore bank facilities. The rating is withdrawn on Rs 11.60 crore of Prassanna Spinning Mills Private Limited. The rating continues to be flagged as "Issue Not Cooperating" and is based on best available information.

The rating downgraded because 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. 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 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 endeavoured 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 ratings based.

Rating Sensitivity

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

Material Covenants

Not Applicable

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	349.48	209.69
PAT	Rs. Cr.	19.67	1.16
PAT Margin	(%)	5.63	0.55
Total Debt/Tangible Net Worth	Times	2.27	4.78
PBDIT/Interest	Times	6.73	1.68

Status of non-cooperation with previous CRA

Not Applicable

Any other information

Not Applicable

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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
28 Jun 2023	Cash Credit	Long Term	65.00	ACUITE BB- (Issuer not co-operating*)
	Proposed Bank Facility	Long Term	11.60	ACUITE BB- (Issuer not co-operating*)
	Term Loan	Long Term	19.94	ACUITE BB- (Issuer not co-operating*)
03 May 2023	Cash Credit	Long Term	65.00	ACUITE BB- (Issuer not co-operating*)
	Proposed Bank Facility	Long Term	11.60	ACUITE BB- (Issuer not co-operating*)
	Term Loan	Long Term	19.94	ACUITE BB- (Issuer not co-operating*)
03 Feb 2022	Proposed Bank Facility	Long Term	11.60	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	65.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	19.94	ACUITE BB- (Downgraded and Issuer not co-operating*)
04 Nov 2020	Term Loan	Long Term	19.94	ACUITE BB (Downgraded and Issuer not co-operating*)
	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*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Lakshmi Vilas Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	65.00	ACUITE B+ Downgraded & Withdrawn Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	11.60	Not Applicable Withdrawn
Lakshmi Vilas Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	19.94	ACUITE B+ Downgraded & Withdrawn Issuer not co-operating*

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in Suman Paul Analyst-Rating Operations Tel: 022-49294065 suman.paul@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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