

Press Release

Sree Satyanarayana Spinning Mills Limited

November 27, 2019



Rating Update

Total Bank Facilities Rated#	Rs.28.64 Cr.
Long Term Rating	ACUITE BB+ (Downgraded from ACUITE BBB) Issuer not cooperating*; Withdrawn
Short Term Rating	ACUITE A4+ (Downgraded from ACUITE A2) Issuer not cooperating*; Withdrawn

Refer Annexure for details

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

Rating Rationale

Acuite has downgraded and withdrawn the long term rating of '**ACUITE BB+ (read as ACUITE Double B plus)**' from **ACUITE BBB-** and short term rating of '**ACUITE A4+ (read as ACUITE four plus)**' from **ACUITE A2** on the 28.64 crore bank facilities of Sree Satyanarayana Spinning Mills Limited (SSML). This rating is now downgraded withdrawn, indicative on account of information risk.

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

Sree Satyanarayana Spinning Mills Limited (SSML), incorporated on 23 July, 1962, was promoted by Mr. Mullapudi Harishchandra Prasad and Mr. Pendyala Narayana Rao Chowdhary. Currently, the operations are managed by Mr. E. Sathyanarayana (Managing Director and CEO), Mr. Pendyala Narayana Rao Chowdhary, among others. The company is engaged in manufacturing of cotton yarn at Tanuku in Andhra Pradesh.

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 due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

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.

Applicable Criteria

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

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 attempts Status of non-cooperation with previous CRA (if applicable)

Status of non-cooperation with previous CRA (if applicable)

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.

Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
22-Aug-2019	Cash Credit	Long Term	13.00	ACUITE BBB Issuer not co-operating*
	Term Loan	Long Term	12.31	ACUITE BBB Issuer not co-operating*
	Letter of credit	Short Term	3.00	ACUITE A2 Issuer not co-operating*
	Bank Guarantee	Short Term	0.25	ACUITE A2 Issuer not co-operating*
	Proposed short term loan	Short Term	0.08	ACUITE A2 Issuer not co-operating*
18-Jun-2018	Cash Credit	Long Term	13.00	ACUITE BBB / Stable (Reaffirmed)
	Term Loan	Long Term	12.31	ACUITE BBB / Stable (Reaffirmed)
	Letter of credit	Short Term	3.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee	Short Term	0.25	ACUITE A2 (Reaffirmed)
	Proposed short term loan	Short Term	0.08	ACUITE A2 (Reaffirmed)
16-Oct-2017	Cash Credit	Long Term	13.00	ACUITE BBB / Stable (Reaffirmed)
	Term Loan	Long Term	12.31	ACUITE BBB / Stable (Reaffirmed)
	Letter of credit	Short Term	3.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee	Short Term	0.25	ACUITE A2 (Reaffirmed)
	Proposed short term loan	Short Term	0.08	ACUITE A2 (Reaffirmed)
01-Apr-2016	Bank Guarantee	Short Term	0.25	ACUITE A2 (Reaffirmed)
	Letter of credit	Short Term	1.00	ACUITE A2 (Reaffirmed)
	Derivative Exposure	Short Term	0.01	ACUITE A2 (Reaffirmed)
	Cash Credit	Long Term	8.00	ACUITE BBB / Stable (Reaffirmed)
	Term Loan	Long Term	13.82	ACUITE BBB / Stable (Reaffirmed)
24-Jun-2015	Cash Credit	Long Term	2.50	ACUITE BBB / Stable (Assigned)
	Bank Guarantee	Short Term	0.25	ACUITE A2 (Assigned)
	Proposed long term loan	Long Term	14.00	ACUITE BBB / Stable (Assigned)
	Letter of credit	Short Term	1.00	ACUITE A2 (Assigned)

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	13.00	ACUITE BB+ (Downgraded from ACUITE BBB Issuer not cooperating*; Withdrawn)
Term Loan	Not Applicable	Not Applicable	Not Applicable	12.31	ACUITE BB+ (Downgraded from ACUITE BBB Issuer not cooperating*; Withdrawn)
Letter of credit	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE A4+ (Downgraded from ACUITE A2 Issuer not cooperating*; Withdrawn)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	0.25	ACUITE A4+ (Downgraded from ACUITE A2 Issuer not cooperating*; Withdrawn)
Proposed short term loan	Not Applicable	Not Applicable	Not Applicable	0.08	ACUITE A4+ (Downgraded from ACUITE A2 Issuer not cooperating*; Withdrawn)

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

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About Acuité Ratings & Research:

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