

May 10, 2024<sup>(Revised)</sup>

## Sri Venkateshwara Spinning Mills India Private Limited: Rating downgraded and Continues to remain under issuer Non-Cooperating category

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Term Loan	4.11	4.11	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+(Stable); ISSUER NOT COOPERATING and continues to remain under the 'Issuer Not Cooperating' category.
Long Term-Fund Based-Cash Credit	5.00	5.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+(Stable); ISSUER NOT COOPERATING and continues to remain under the 'Issuer Not Cooperating' category.
Long Term / Short Term-Unallocated	0.89	0.89	[ICRA]B+(Stable)/[ICRA]A4; ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+(Stable)/[ICRA]A4+; ISSUER NOT COOPERATING and continues to remain under the 'Issuer Not Cooperating' category.
<b>Total</b>	<b>10.00</b>	<b>10.00</b>	

\*Issuer did not cooperate; based on best available information

<sup>^</sup>Instrument details are provided in Annexure-1

### Rationale

The rating downgrade is attributable to the lack of adequate information regarding Sri Venkateshwara Spinning Mills India Private Limited performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at [www.icra.in](http://www.icra.in). The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating, as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade."

As part of its process and in accordance with its rating agreement with Sri Venkateshwara Spinning Mills India Private Limited, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities : [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

## Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Policy in respect of non-cooperation by the rated entity</a> <a href="#">Corporate Credit Rating Methodology</a> <a href="#">Rating Methodology – Textiles - Spinning</a>
Parent/Group Support	NA
Consolidation/Standalone	Standalone

## About the company

Sri Venkateshwara Spinning Mills India Private Limited, incorporated in 2005 in Tirupur, manufactures and sells viscose yarn, mainly in the count of 30s with an installed capacity of 19,600 spindles. SSPL is promoted by Mr. Natarajan Thiagarajan, who has over two decades of experience in the spinning industry. SSPL has also installed windmills with a power generation capacity of 6.1 MW, which it uses for its own requirement.

## Key Financial Indicator

	FY2022 (in crore)	FY2023 (in crore)
Operating income	74.30	64.59
PAT	0.65	-3.96
OPBDIT/OI	6.56%	-1.94%
PAT/OI	0.88%	-6.13%
RoCE (%)	10.76%	-10.61%
Total outside liabilities/Tangible net worth (times)	0.65	0.57
Total debt/OPBDIT (times)	1.84	-5.60
Interest coverage (times)	7.98	-1.52

Source: MCA

## Status of non-cooperation with previous CRA: Not Applicable

## Any other information: None

## Rating history for past three years

	Instrument	Current Rating (FY2025)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. Crore)	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021	
					May 10, 2024	Mar 29, 2023	Feb 08, 2022	-	
1	Term Loan	Long Term	4.11	-	[ICRA]B+(Stable) ; ISSUER NOT COOPERATING	[ICRA]BB+(Stable); ISSUER NOT COOPERATING	[ICRA]BB+(Stable)	-	
2	Cash Credit	Long Term	5.00	-	[ICRA]B+(Stable) ; ISSUER NOT COOPERATING	[ICRA]BB+(Stable); ISSUER NOT COOPERATING	[ICRA]BB+(Stable)	-	
3	Unallocated	Long Term/ Short Term	0.89	-	[ICRA]B+(Stable)/ [ICRA]A4 ; ISSUER NOT COOPERATING	[ICRA]BB+(Stable)/ [ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]BB+(Stable) /[ICRA]A4+	-	

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Term Loan	Simple
Cash Credit	Simple
Unallocated	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

### Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Term Loan	FY2017-FY2020	-	FY2023-FY2025	4.11	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Cash Credit	-	-	FY 2024	5.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Unallocated	-	-	-	0.89	[ICRA]B+(Stable)/[ICRA]A4; ISSUER NOT COOPERATING

Source: Sri Venkateshwara Spinning Mills India Private Limited

### Annexure-2: List of entities considered for consolidated analysis: Not Applicable

### Corrigendum

Document dated May 10, 2024, has been corrected with revision as detailed below:

Section where revision has been made	Details of change (s) made
Page 2: Key Financial Indicators	"Key Financial Indicator" Figures has now been updated

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