

Rating Rationale

Annur Sri Sivasakthi Cotton Mills Pvt Ltd

22 June 2017

Brickwork Ratings downgraded the ratings for the Bank Loan Facilities of Rs. 5.61 Crs of Annur Sri Sivasakthi Cotton Mills Pvt Ltd(ASSCMPL)

Particulars

Previous Facilities Rated	Amount(Rs. In Crs)	Current Facility Rated	Amount (Rs. Crs)	Tenure	Previous Rating	Current Rating
<u>Fund Based:</u>		<u>Fund Based</u>			<u>Long Term Rating</u>	Downgraded to
Cash Credit	2.00	ODCC	5.00	Long Term	BWR B+ (Pronounced as BWR B Plus)	BWR D (Pronounced as BWR D)
EPC/PCFC/FBD/FBP/FBN/EBR	2.50	Sub Limit(ODBD)	(1.50)		Outlook : Stable	
		Sub Limit(PC/FDB/FBE)	(3.00)		<u>Short Term Rating</u>	
<u>Non - Fund Based:</u>					BWR A4 (Pronounced as BWR A Four)	
LER	0.50	Term Loan - I	*0.18			
		Term Loan - II	*0.43			
Total	Rs.5.00Crs(Rupees Five Crores only)	Total	Rs. 5.61 Crores (Rupees Five Crores and Sixty One Lakhs only.)			

* Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the audited financials results of the company up to FY16, provisional financials of FY17 and Projected Financials, publicly available information and information/clarifications provided by the management.

The rating has factored delay in servicing of principal & interest and overdues in Cash Credit account.

About the Company

Annur Sri Sivasakthi Cotton Mills Pvt Ltd was established in the year 2004, in the city of Coimbatore, Tamil Nadu. Mr.C. Ramasamy is the Managing Director of the company, and Mrs. R.Jayamani and Mr. R. Nanda Kumar are the other directors. The company engaged in the business of manufacturing and selling of cotton yarn.

Company Financial Performance

Net Sales has decreased from ₹14.89Cr in FY15 to ₹10.25Cr in FY16. The Company shown net loss of Rs. 0.26Cr as against cash profit of Rs. 0.17Cr in FY16. Tangible Networth of the company has decreased in FY16 to 1.45Cr from 1.71Cr in FY15.

Rating History for the last three years: (including withdrawn/suspended ratings)

S.No	Instrument/Facility	Current Rating (2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	2016	2015	2014
1	ODCC	Long Term	5.00	BWR D	Not Reviewed	BWR B+/ BWR A4	NA
	Sub Limit(ODBD)		(1.50)				
	Sub Limit(PC/FDB/FB)		(3.00)				
2	Term Loan - I		0.18				
3	Term Loan - II		0.43				

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing sectors](#)
- [Short Term Debt](#)



Analytical Contacts	Media
Varadarajan R Chief Manager Ratings analyst@brickworkratings.com	media@brickworkratings.com
	Relationship Contact bd@brickworkratings.com
Phone: 1-860-425-2742	

For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.