

Rating Rationale

03 Mar 2020

Saravanagiri Spinning Mills Pvt Ltd

Brickwork Ratings downgrades the long term rating and reaffirms short term rating for the Bank Loan Facilities of Rs. 52.20Cr of Saravanagiri Spinning Mills Pvt Ltd based on best available information, as the company did not cooperate.

Particulars

Facilities**	Amount (Rs. Crs)		Tenure	Rating#	
	Previous	Present		Previous (Sep 2018)	Present
Fund based					
Cash Credit	9.00	9.00	Long Term	BWR BB/ Stable	BWR BB- Issuer Not Cooperating*/ Stable Downgraded
Term Loan	41.70	41.70			
Non Fund Based					
Bank Guarantee	1.50	1.50	Short Term	BWR A4	BWR A4 Issuer Not Cooperating* Reaffirmed
Total	52.20	52.20	Rupees Fifty Two Crores And Twenty Lakhs Only		

* Issuer did not cooperate;Based on the best available information ; **Details of Bank facilities are provided in Annexure-I; # Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rating Action/Nature of Non Cooperation

The ratings were due for a review in Sep 2019. BWR took up with the company to provide required information for conducting a review of the ratings through emails and telephone calls. Despite the best efforts of BWR to get at least the minimum required information for a review, the company has not provided the same. The ratings were, therefore, migrated to the Rating not Reviewed category in Sep 2019. Due to the continued lack of management cooperation and in the absence of adequate information from the Company, BWR is unable to assess the Company's financial performance and its ability to service its debt and maintain a valid rating. The company has not been submitting the No Default Statement(NDS) to BWR, as per regulatory requirements. Hence, based on best available information, Brickwork Ratings has revised and migrated the ratings to the ISSUER NOT COOPERATING* category.

Limitations of the Rating

Information availability risk is a key factor in the assessment of credit risk as generally non-cooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

Key Financial Indicators

The Company has not provided financial information to BWR for the last two years.

Company Profile

Saravanagiri Spinning Mills Private Limited (SSPL), Erode, was incorporated in 2013. It is engaged in manufacturing viscose yarn. The company is promoted by Mr R.K Sivananthan, Managing Director

Status of non-cooperation with previous CRA - NA

Rating History

Facilities		Current Rating (Mar 2020)		Rating History		
	Tenure	Amount (Rs. Crs)	Rating	18 Sep 2019	17 Sep 2018	20 Sep 2017
Fund Based						
Cash Credit	Long Term	9.00	BWR BB- Issuer Not Cooperating*/Stable	Rating Not Reviewed	BWR BB/Stable	BWR BB/Stable
Term Loan		41.70				
Non Fund Based						
Bank Guarantee	Short term	1.50	BWR A4 Issuer Not Cooperating*	Rating Not Reviewed	BWR A4	BWR A4
Total		52.20	Rupees Fifty Two Crores And Twenty Lakhs Only			

*Issuer did not cooperate; Based on best available information;

Note: Initial rating of BWR BB-/Stable/A4 was assigned on 25 Aug 2015 and was reaffirmed at BWR BB-/Stable/A4 on 09 Dec 2016.

Complexity levels of the instruments

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)
- [Manufacturing Companies](#)
- [Short term Debt](#)

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ANNEXURE I

**Saravanagiri Spinning Mills Pvt Ltd
Details of Bank Loan Facilities rated by BWR**

Sl.No.	Name of the Bank	Type of Facility	Long Term [Rs. Crs]	Short Term [Rs. Crs]	Total [Rs. Crs]
1	SBI	Cash Credit	9.00	-	9.00
		Term Loan	41.70	-	41.70
		Bank Guarantee	-	1.50	1.50
TOTAL - Rupees Fifty Two Crores And Twenty Lakhs Only					52.20



For print and digital media

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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 reason.