

Aakavi Spinning Mills Private Limited

May 23, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	6.11	CARE B-; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B;

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated March 02, 2023, placed the rating(s) of Aakavi Spinning Mills Private Limited (ASMPL) under the 'issuer non-cooperating' category as ASMPL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. ASMPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated January 16, 2024, January 26, 2024, February 05, 2024.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings assigned to the bank facilities of ASMPL have been revised on account of non-availability of requisite information.

Analytical approach: Standalone

Outlook: Not Applicable

Detailed description of the key rating drivers:

Please refer to PR dated [March 02, 2023](#)

Applicable criteria

[CARE Ratings' criteria on information adequacy risk and issuer non-cooperation](#)

[Policy on default recognition](#)

About the company

Aakavi Spinning Mills Private Limited (ASMPL), engaged in the manufacture of yarn and gray fabrics was established by two partners namely, Mr. R. Selvaraj and Mr. D. Jagadeesan in the year 2001 as a partnership concern and was later reconstituted as a private limited company in the year 2007. The company has four directors presently named, Mr. R. Selvaraj, Ms. S. Kalaichitra (w/o Mr. Selvaraj), Mr. D.Kamalanathan and Ms. K. Indiradevi (w/o Mr. Kamalanathan). The company has an installed capacity of 24,000 second hand spindles with a production capacity of 2,00,00 kg's of yarn/ month. ASM manufactures yarn in different counts like 30's, 34's, 30's HT, 40's, 2/40's etc.

Brief Financials (₹ crore)	March 31, 2019 (A)	March 31, 2020 (A)
Total operating income	72.15	55.11
PBILDT	2.73	2.16
PAT	0.66	0.50
Overall gearing (times)	2.11	2.01
Interest coverage (times)	3.48	4.51

A: Audited; Note: 'the above results are latest financial results available'

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	4.50	CARE B-; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	September 2020	1.61	CARE B-; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument / Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	1.61	CARE B-; ISSUER NOT COOPERATING*	-	-	1)CARE B; ISSUER NOT COOPERATING* (02-Mar-23)	1)CARE B+; ISSUER NOT COOPERATING* (28-Dec-21)
2	Fund-based - LT-Cash Credit	LT	4.50	CARE B-; ISSUER NOT COOPERATING*	-	-	1)CARE B; ISSUER NOT COOPERATING* (02-Mar-23)	1)CARE B+; ISSUER NOT COOPERATING* (28-Dec-21)

*Issuer did not cooperate; Based on best available information

LT: Long term

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact us

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About us:

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Disclaimer:

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