

SPS Spinning Mills

September 02, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	6.63	CARE B-; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B; Stable;

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 July 20, 2023, placed the rating(s) of SPS Spinning Mills (SSM) under the 'issuer non-cooperating' category as SSM had failed to provide information for monitoring of the rating. SSM continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated June 04, 2024, June 14, 2024, June 24, 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 SSM have been revised on account of non-availability of requisite information.

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers:

Please refer to PR dated [July 20, 2023](#)

Applicable criteria

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

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

About the firm

SPS Spinning Mills (SSM) was established in 2003 as a Partnership firm by Mr. T. Senniappan, Mr. P. Palanisamy & Mrs. P. Rajamani. The firm is engaged in spinning of cotton yarn (60's count) with an installed capacity of 4500 kg/day as on September, 2020. Currently the firm has 28000 spindles and utilizing around 75% (due to COVID-19 disruptions) of total installed capacity. The firm has its registered office and two manufacturing facilities located at Coimbatore, Tamil Nadu. The firm's revenue is realized from sale of three types of end products namely cone yarn (75%), hank yarn (17%) and process waste (8%). Cone yarn is used by power loom weavers, hank yarn is used by handloom weavers and wastes which are sold are further re-processed to cotton. The end products are supplied to weavers who are located in and around Tamil Nadu, Maharashtra, Kerala, Andhra Pradesh and Odissa. The firm purchases 20% of wind energy for captive consumption from Senthilvel Wind Farms and rest from Tamilnadu Electricity Board. SPSSM procures its main raw material, Cotton, from the suppliers located in Tamil Nadu, Andhra Pradesh & Maharashtra.

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

Brief Financials (₹ crore)	March 31, 2019 (A)	March 31, 2020 (Prov.)
Total operating income	23.00	28.47
PBILDT	2.09	1.54
PAT	0.20	0.12
Overall gearing (times)	2.00	1.27
Interest coverage (times)	2.63	2.63

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

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		-	-	-	4.77	CARE B-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	August 2022	0.57	CARE B-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	March 2023	1.29	CARE B-; Stable; 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	0.57	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (20-Jul-23)	1)CARE B+; Stable; ISSUER NOT COOPERATING* (27-Jun-22)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (05-May-21)
2	Fund-based - LT-Term Loan	LT	1.29	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (20-Jul-23)	1)CARE B+; Stable; ISSUER NOT COOPERATING* (27-Jun-22)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (05-May-21)
3	Fund-based - LT-Cash Credit	LT	4.77	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (20-Jul-23)	1)CARE B+; Stable; ISSUER NOT COOPERATING* (27-Jun-22)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (05-May-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.

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About us:

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