

Erode Sri Palani Murugan Spinning Mills Private Limited

January 21, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	14.67	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	0.33	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	15.00 (Rs. Fifteen Creore Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated January 13, 2021, placed the rating(s) of Erode Sri Palani Murugan Spinning Mills Private Limited (ESPMSMPL) under the 'issuer non-cooperating' category as ESPMSMPL 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. ESPMSMPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated November 29, 2021, December 09, 2021, December 19, 2021.

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).

Detailed description of the key rating drivers

Please refer to PR dated [January 13, 2021](#)

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

About the Company

Erode Sri Palani Murugan Spinning Mills Private Limited (ESPMSMPL) is a Tamil Nadu based company, which was incorporated in 2006 and promoted by Mr. E. Palanisamy and others as a Private Limited company. The company is engaged in manufacturing of cotton yarn (30-46 counts) with a total installed capacity of 13,824 spindles at its manufacturing unit located at Erode, Tamil Nadu. The manufacturing process includes ginning of raw cotton, blending, carding, combing, drawing out, twisting and spinning. The company is also engaged in manufacturing of cloth at its weaving mill from rayon yarn.

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021(A)	9MFY22(Prov.)
Total operating income	38.88	NA	NA
PBILDT	4.66	NA	NA
PAT	1.19	NA	NA
Overall gearing (times)	1.14	NA	NA
Interest coverage (times)	3.10	NA	NA

A: Audited; Prov: Provisional; NA: Not Available

Status of non-cooperation with previous CRA: CRISIL continued the ratings assigned to the bank facilities of ESPMSMPL to the 'issuer not-cooperating' category vide press release dated January 07, 2021 on account its inability to carryout review in the absence of best available information from the company.

Any other information: Not Applicable

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

Covenants of rated instrument/facility: Annexure -3

Complexity level of various instruments rated for this Company: Annexure- 4

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

Annexure-1: Details of Instruments / Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	March 2025	4.17	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantees		-	-	-	0.33	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	10.50	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument / Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Term Loan	LT	4.17	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (13-Jan-21)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (10-Jan-20) 2)CARE BB-; Stable (03-Oct-19)	1)CARE BB; Stable (10-Oct-18)
2	Non-fund-based - ST-Bank Guarantees	ST	0.33	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (13-Jan-21)	1)CARE A4; ISSUER NOT COOPERATING* (10-Jan-20) 2)CARE A4 (03-Oct-19)	1)CARE A4 (10-Oct-18)
3	Fund-based - LT-Cash Credit	LT	10.50	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (13-Jan-21)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (10-Jan-20) 2)CARE BB-; Stable (03-Oct-19)	1)CARE BB; Stable (10-Oct-18)

*Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Not Applicable**Annexure 4: Complexity level of various instruments rated for this company**

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-Bank Guarantees	Simple

Note on complexity levels of the rated instrument: CARE 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 CARE Ratings:

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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