



## Press Release

**Shri Dhanalakshmi Spinntex Private Limited (SDSPL)**

**November 21, 2024**

**Ratings:**

<b>Instrument / Facility</b>	<b>Amount (INR Crore)</b>	<b>Current Ratings</b>	<b>Previous Ratings</b>	<b>Rating Action</b>	<b><u>Complexity Indicator</u></b>
Long Term Bank Facilities – Cash Credit	18.00	IVR BBB-/Negative; ISSUER NOT COOPERATING* (IVR Triple B Minus with Negative Outlook; ISSUER NOT COOPERATING*)	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)	Rating Reaffirmed, Outlook revised and migrated to ISSUER NOT COOPERATING* category	Simple
Long Term Bank Facilities – Term Loans	54.05	IVR BBB-/Negative; ISSUER NOT COOPERATING* (IVR Triple B Minus with Negative Outlook; ISSUER NOT COOPERATING*)	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)	Rating Reaffirmed, Outlook revised and migrated to ISSUER NOT COOPERATING* category	Simple
Long Term Bank Facilities – GECL	18.24	IVR BBB-/Negative; ISSUER NOT COOPERATING* (IVR Triple B Minus with Negative Outlook; ISSUER NOT COOPERATING*)	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)	Rating Reaffirmed, Outlook revised and migrated to ISSUER NOT COOPERATING* category	Simple
Short Term Bank Facilities – Letter of Credit	9.00	IVR A3; ISSUER NOT COOPERATING* (IVR A four; ISSUER NOT COOPERATING*)	IVR A3 (IVR A Three)	Rating Reaffirmed and migrated to ISSUER NOT COOPERATING* category	Simple
<b>Total</b>	<b>99.29 (Rupees Ninety-Nine crore and Twenty-Nine Lakh only)</b>				

*\*Issuer not cooperating; based on best available information*



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**Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.**

### **Detailed Rationale**

Infomerics has reaffirmed the long-term rating and short-term rating, with revision in outlook from Stable to Negative and moved the ratings assigned to the bank facilities of SDSPL to 'ISSUER NOT COOPERATING' category due to lack of adequate information available and the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity.

### **Non-cooperation by Issuer**

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide mail communications dated September 03, 2024; September 06, 2024; September 19, 2024; September 25, 2024; September 27, 2024, October 01, 2024; October 07, 2024, October 10, 2024, October 14, 2024, October 15, 2024, October 17, 2024, October 23, 2024, October 28, 2024, November 07, 2024, November 14, 2024 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted some of the essential details.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information.

Accordingly, the ratings for the bank facilities of SDSPL aggregating Rs.99.29 crore have been migrated under 'ISSUER NOT COOPERATING' category by Infomerics and ratings will be at "IVR BBB-/Negative; ISSUER NOT COOPERATING/ IVR A3; ISSUER NOT COOPERATING' category based on best available information. Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company

**Analytical Approach:** Standalone



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### Applicable Criteria:

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Policy on issuer not cooperating](#)

[Rating Criteria for Manufacturing](#)

[Criteria of Rating Outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

### About the Company

Promoters initially started two proprietary concerns in 1995 namely Shri Dhanalakshmi Sizing Mills and Shri Dhanalakshmi Spinning Mills. Subsequently, both of this proprietary concern was merged and converted into a partnership firm as Shri Dhanalakshmi Textiles. Later, in 2003 named was changed to Shri Dhanalakshmi Sizing and Spinning Mills. In 2012 Partnership firm was converted into Private Limited company named as Shri Dhanalakshmi Spinntex Private Limited. The company is engaged in the business of Yarn manufacturing, wind power generation and solar power generation. The company's yarn manufacturing facilities are located at Coimbatore, Tamil Nadu and windmills & solar plant are located at strategic locations in Tamil Nadu where the sun rays are bright, and flow of the wind is strong. SDSPL has a total manufacturing capacity of 1879.2 Tonnes for manufacturing of Yarn and 36.225 MWH of power is generated through windmills and 5 MWH of power is generated through Solar plant.

### Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2022	31-03-2023	31-03-2024
	<b>Audited</b>	<b>Audited</b>	<b>Provisional</b>
Total Operating Income	166.44	153.85	162.58
EBITDA	27.16	23.58	28.08
PAT	8.71	1.83	8.79
Total Debt	94.31	100.38	81.18
Tangible Net Worth	50.81	53.39	62.03
EBITDA Margin (%)	16.32	15.33	17.27
PAT Margin (%)	5.22	1.18	5.40
Overall Gearing Ratio (x)	1.86	1.88	1.31
Interest Coverage (x)	3.00	2.37	3.14



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\*Classification as per Infomerics' standards

**Status of non-cooperation with previous CRA:** Nil

**Any other information:** Nil

**Rating History for last three years:**

S. No	Name of Security/ Facilities	Current Rating (Year 2024-25)			Rating History for the past 3 years		
		Type (Long Term/ Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					September 22, 2023	--	February 23, 2022
1.	Cash Credit	Long Term	18.00	IVR BBB-/ Negative; INC*	IVR BBB-/ Stable	--	--
2.	Term Loans	Long Term	54.05	IVR BBB-/ Negative; INC*	IVR BBB-/ Stable	--	--
3.	GECL	Long Term	18.24	IVR BBB-/ Negative; INC*	IVR BBB-/ Stable	--	--
4.	Letter of Credit	Short Term	9.00	IVR A3; INC*	IVR A3		

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

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**About Infomerics:**

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration



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from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit [www.infomerics.com](http://www.infomerics.com)

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

### Annexure 1: Details of Instruments / Facilities

Name of Instruments / Facilities	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – Cash Credit	-	-	-	-	18.00	IVR BBB-/ Negative; Issuer Not Cooperating*



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Name of Instruments / Facilities	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – Term Loans	-	-	-	March 2029	54.05	IVR BBB-/ Negative; Issuer Not Cooperating*
Long Term Bank Facilities – GECL	-	-	-	March 2027	18.24	IVR BBB-/Negative; Issuer Not Cooperating*
Short Term Bank Facilities – Letter of Credit	-	-	-	-	9.00	IVR A3; Issuer Not Cooperating*

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

**Annexure 2: Facility wise lender details:** Not Applicable

**Annexure 3: Detailed explanation of covenants of the rated Security/facilities:** Not Applicable

**Annexure 4: List of companies considered for consolidated/Combined analysis:** Not applicable

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).