

## Nandi Vardhana Textile Mills Limited

September 08, 2022

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	24.56	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	3.40	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>27.96</b> <b>(Rs. Twenty-Seven Crore and Ninety-Six Lakhs Only)</b>		

Details of instruments/facilities in Annexure-1

### Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated July 20, 2021, placed the rating(s) of Nandi Vardhana Textile Mills Limited (NVTML) under the 'issuer non-cooperating' category as NVTML 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. NVTML continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated June 05, 2022, June 15, 2022, June 25, 2022.

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 [July 20, 2021](#)

**Analytical approach:** Standalone

### Applicable Criteria

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

[Policy on default recognition](#)

### About the Company

NVTML was incorporated in the year 2005 by Mr. P Srinivasa Rao, Mr. G Anjaiah, Mrs P Padmavathi and the relatives of the promoters. NVTML is engaged in the manufacturing of cotton yarn with an installed capacity of 20,448 spindles per annum at Thimmapuram, Guntur District, and Andhra Pradesh. NVTML manufactures and supplies cotton yarn for both domestic as well as global markets. Till FY12, a predominant portion of the finished product was sold domestically, while around 22% was exported to countries like Turkey, Brazil and China.

Brief Financials (Rs. crore)	FY20 (A)	FY21(A)	FY22(Prov.)	Q1FY23(Prov.)
Total operating income	1.58	0.01	NA	NA
PBILD	-1.90	-2.41	NA	NA
PAT	-0.28	0.04	NA	NA
Overall gearing (times)	5.03	4.48	NA	NA
Interest coverage (times)	4.21	NM	NA	NA

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

**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:** Annexure 3

**Complexity level of various instruments rated for this company:** Annexure 4

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://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		-	-	May 2022	6.86	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	15.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit		-	-	-	3.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Stand by Limits		-	-	-	2.70	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Credit Exposure Limit		-	-	-	0.40	CARE D; 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 (Rs. crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	6.86	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (20-Jul-21)	1)CARE D; ISSUER NOT COOPERATING* (07-May-20)	-
2	Fund-based - LT-Cash Credit	LT	15.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (20-Jul-21)	1)CARE D; ISSUER NOT COOPERATING* (07-May-20)	-
3	Non-fund-based - ST-Letter of credit	ST	3.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (20-Jul-21)	1)CARE D; ISSUER NOT COOPERATING* (07-May-20)	-
4	Fund-based - LT-Stand by Limits	LT	2.70	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (20-Jul-21)	1)CARE D; ISSUER NOT COOPERATING* (07-May-20)	-
5	Non-fund-based - ST-Credit Exposure Limit	ST	0.40	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (20-Jul-21)	1)CARE D; ISSUER NOT COOPERATING* (07-May-20)	-

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

**Annexure-3: Detailed explanation of the covenants of the rated instruments/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-Stand by Limits	Simple
3	Fund-based - LT-Term Loan	Simple
4	Non-fund-based - ST-Credit Exposure Limit	Simple
5	Non-fund-based - ST-Letter of credit	Simple

**Annexure-5: Bank lender details for this company**

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

**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](mailto:care@careedge.in) for any clarifications.

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### About CARE Ratings Limited:

Established in 1993, CARE Ratings Ltd. is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

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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