

Sri Raja Vinayagar Mills

October 20, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings ¹	Rating Action
Long Term Bank Facilities	24.07	CARE B-; ISSUER NOT COOPERATING* (Single B Minus ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	3.00	CARE A4; ISSUER NOT COOPERATING* (A Four ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	27.07 (Rs. Twenty-Seven Crore and Seven Lakhs Only)		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated October 20, 2020, placed the rating(s) of Sri Raja Vinayagar Mills (SRVM) under the 'issuer non-cooperating' category as SRVM 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. SRVM continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated September 05, 2021, September 15, 2021 and September 25, 2021.

In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE'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 [October 20, 2020](#)

Analytical approach: Standalone

Applicable Criteria

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

[Policy on default recognition](#)

About the Firm

Sri Raja Vinayagar Mills (SRVM) is a Coimbatore-based partnership firm engaged in manufacturing and sale of cotton yarn and grey cotton fabric. The firm was promoted in 2003 by Mr. R Saminathan and his brother-in-law, Mr. C. Palanisamy, each with over 20 years of experience in cotton textile industry. SRVM started its operations with an installed capacity of 6,000 spindles and undertook expansion in a phased manner. The firm has an installed capacity of 25,500 spindles as on March 31, 2015. SRVM manufactures cotton yarn in the 40's count. The firm outsources grey cotton fabric manufacturing to local job work companies and supplies the final fabric to various knitting units in Tirupur and Kolkata.

Brief Financials (Rs. crore)	FY14 (A)	FY15 (Prov.)
Total operating income	71.20	74.30
PBILD	9.00	8.70
PAT	2.30	2.50
Overall gearing (times)	1.26	1.19
Interest coverage (times)	1.83	1.96

A: Audited; Prov: Provisional

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Issuer did not cooperate; based on best available information

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Disclosure of Interest of Independent/Non-Executive Directors and Managing Director & CEO of CARE: 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 firm: Annexure-4

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-Cash Credit		-	-	-	15.00	CARE B-; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	-	9.07	CARE B-; ISSUER NOT COOPERATING*
Non-fund-based - ST-ILC/FLC		-	-	-	3.00	CARE A4; 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-Cash Credit	LT	15.00	CARE B-; ISSUER NOT COOPERATING*	-	1)CARE B-; ISSUER NOT COOPERATING* (20-Oct-20)	1)CARE B; ISSUER NOT COOPERATING* (13-Aug-19)	1)CARE B+; ISSUER NOT COOPERATING* (06-Jun-18)
2	Fund-based - LT-Term Loan	LT	9.07	CARE B-; ISSUER NOT COOPERATING*	-	1)CARE B-; ISSUER NOT COOPERATING* (20-Oct-20)	1)CARE B; ISSUER NOT COOPERATING* (13-Aug-19)	1)CARE B+; ISSUER NOT COOPERATING* (06-Jun-18)
3	Non-fund-based - ST-ILC/FLC	ST	3.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (20-Oct-20)	1)CARE A4; ISSUER NOT COOPERATING* (13-Aug-19)	1)CARE A4; ISSUER NOT COOPERATING* (06-Jun-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 firm

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-ILC/FLC	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

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