

Sri Ranga Textiles Private Limited

April 25, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	8.54	CARE B-; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B;

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 February 15, 2023, placed the rating(s) of Sri Ranga Textiles Private Limited (SRTPL) under the 'issuer non-cooperating' category as SRTPL 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. SRTPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated January 01, 2024, January 11, 2024, January 21, 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 SRTPL have been revised on account of non-availability of requisite information. The revision further considers the decline in scale of operations coupled with operating loss and net loss reported in FY23 and FY22.

Analytical approach: Standalone

Outlook: Not Applicable

Detailed description of the key rating drivers:

Please refer to PR dated [February 15, 2023](#)

Applicable criteria

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

[Policy on default recognition](#)

About the company

SRTPL, incorporated in 1980 is engaged in the manufacturing of cotton yarn in the super fine count range of 100's and 120's (which finds its application in sarees and shirting). The company was incorporated by Mr. R. Ethirajulu and three of his family members. SRTPL was established with 5,920 spindles in Coimbatore. Subsequently another unit was added in 2002 with spindle capacity of 4,800 spindles in Aruppukottai. SRTPL has an aggregate spindle capacity of 24,600 spindles as on February 25, 2016. SRTPL also sells 2/100's count (value added by doubling 100's count yarn) based on the requirement of the customers. Mr. E. Silesh (s/o Mr. R. Ethirajulu) is the managing director of the company who takes care of day to day activities. Mrs. E. Ramalakshmi (W/o Mr. R. Ethirajulu) and Mr. Ranga Rao (s/o Mr. R. Ethirajulu) are the other directors of the company.

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

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)
Total operating income	18.41	8.35
PBILDT	1.34	-0.87
PAT	0.22	-1.54
Overall gearing (times)	0.77	1.86
Interest coverage (times)	5.64	NM

A: Audited; NM: Not Meaningful; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Acuite (SMERA) has continued the rating assigned to the bank facilities of SRTPL into Issuer Not Cooperating category vide press release dated October 23, 2023 on account of its inability to carry out a review in the absence of the requisite information from the company.

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		-	-	-	6.00	CARE B-; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	October 2021	2.54	CARE B-; 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	2.54	CARE B-; ISSUER NOT COOPERATING *	-	-	1)CARE B; ISSUER NOT COOPERATING * (15-Feb-23)	1)CARE B; ISSUER NOT COOPERATING * (09-Dec-21)
2	Fund-based - LT-Cash Credit	LT	6.00	CARE B-; ISSUER NOT COOPERATING *	-	-	1)CARE B; ISSUER NOT COOPERATING * (15-Feb-23)	1)CARE B; ISSUER NOT COOPERATING * (09-Dec-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.

Contact us

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About us:

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Disclaimer:

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