

## Sri Balambika Textile Mills Private Limited

November 05, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	39.30	CARE B-; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE B; Stable and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	2.70	CARE A4; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

### Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Sri Balambika Textile Mills Private Limited (Sri Balambika) to monitor the ratings vide e-mail communications dated August 28, 2024, September 08, 2024, September 24, 2025, among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings.

In line with the extant SEBI guidelines, CareEdge Ratings 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. The rating on BPPL's bank facilities will now be denoted as **CARE B-; Stable/CARE A4; ISSUER NOT COOPERATING\***.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.**

The ratings have been revised on account of non-availability of requisite information due to non-cooperation by Sri Balambika with CareEdge's efforts to undertake a review of the outstanding ratings as CareEdge Ratings views information availability risk as key factor in its assessment of credit risk profile.

Ratings assigned to the bank facilities of Sri Balambika Textile Mills Private Limited (Sri Balambika) continues to be constrained due to small scale of operations, weak debt coverage indicators with losses incurred in past two years, susceptibility of profitability to raw material price fluctuations and presence in highly fragmented industry. However, the ratings derive strength from extensive experience of the promoters in the segment, comfortable capital structure with funding support from promoters.

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of key rating drivers:

At the time of last rating on October 01, 2024, the following were the rating strengths and weaknesses.

### Key weaknesses

#### Small scale of operations

The company involved in manufacturing and selling of cotton yarn up to 40s count to customers across Tamil Nadu. The scale of operations remained small with total operating income of Rs. 58.46 crore in FY24 which declined from Rs. 162.22 crore in FY22 due to slowdown in yarn demand following subdued demand for the downstream textile products. The company reported net losses of Rs. 2.78 crore (PY: net loss of Rs. 8.13 crore) in FY24 due to higher overhead costs and low-capacity utilization.

#### Weak debt coverage indicators

The company reported cash losses in FY23. The debt coverage indicator of Sri Balambika marked by Total Debt/GCA stood moderate at 303.98x as on March 31, 2024. The interest coverage ratio stood at 0.98x in FY24 against 0.25x in FY23.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

### Highly fragmented and competitive business segment due to presence of numerous players

The cotton ginning and spinning industry is highly fragmented in nature with several organized and unorganized players. The profitability of spinning mills depends largely on the prices of cotton and cotton yarn which are governed by various factors such as area under cultivation, monsoon, international demand-supply situation, etc. The cotton being the major raw material of spinning mills, movement in cotton prices without parallel movement in yarn prices impact the profitability of the spinning mills. The cotton textile industry is inherently prone to the volatility in cotton and yarn prices. The PBILDT margin has been varying in the range of 6% to 10% over the past three years ended FY24.

### Key strengths

#### Extensive experience of the promoters in the segment of operation

The company was established by M. Rathnasamy, who has over four decades of experience in the cotton yarn industry. His son, R. Thyagarajan, an MBA graduate, also provides substantial support in managing the company's daily operations.

#### Comfortable capital structure with funding support from the promoters

The capital structure of the company remained comfortable with overall gearing of 0.754 as on March 31, 2024. The promoters continuously supported the operations through infusion of unsecured loans in the past and the same stood at Rs. 20.55 crore as on March 31, 2024, out of which Rs. 19.80 crore is subordinated to bank borrowings and treated as quasi capital.

**Assumptions/Covenants:** Not applicable

**Environment, social, and governance (ESG) risks:** Not applicable

### Applicable criteria

[Definition of Default](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Textiles	Textiles & Apparels	Other Textile Products

Sri Balambika was incorporated in 1997 by M. Rathnasamy (Managing Director) and is a closely held entity. The company having its factory in Tirupur with 28080 spindles is engaged in manufacturing of cotton yarn up to 40 counts. The company also has two windmills with combined capacity of 1.2 MW for captive power.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	162.22	65.54	58.46
PBILDT	9.95	1.22	4.89
PAT	0.69	-8.13	-2.78
Overall gearing (times)	0.92	1.15	0.74
Interest coverage (times)	2.15	0.25	0.98

A: Audited; Note: these are latest available financial results

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of 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 and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	15.00	CARE B-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	March 2032	24.30	CARE B-; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Forward Contract		-	-	-	0.20	CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - ST-ILC/FLC		-	-	-	2.50	CARE A4; ISSUER NOT COOPERATING*

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

**Annexure-2: Rating history for 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 2025-2026	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
1	Fund-based - LT-Cash Credit	LT	15.00	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable (01-Oct-24)	-	-
2	Fund-based - LT-Term Loan	LT	24.30	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable (01-Oct-24)	-	-
3	Non-fund-based - ST-ILC/FLC	ST	2.50	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4 (01-Oct-24)	-	-
4	Non-fund-based - ST-Forward Contract	ST	0.20	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4 (01-Oct-24)	-	-

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

LT: Long term; ST: Short term; LT/ST: Long term/Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable

**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-Forward Contract	Simple
4	Non-fund-based - ST-ILC/FLC	Simple

**Annexure-5: Lender details**

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

**Note on complexity levels of rated instruments:** CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

## Contact us

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