

Suryajyoti Spinning Mills Limited

December 10, 2020

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	-	-	Withdrawn
Short Term Bank Facilities	-	-	Withdrawn
Total Bank Facilities	0.00 (Rs. Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has withdrawn the outstanding rating of 'CARE D; ISSUER NOT COOPERATING (Single D; Issuer Not Cooperating)/CARE D; ISSUER NOT COOPERATING (Single D; Issuer Not Cooperating)' assigned to the bank facilities of Suryajyoti Spinning Mills Limited with immediate effect. The above action has been taken as the company is under the Corporate Insolvency Resolution Process (CIRP) as ordered by the Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench, Hyderabad, vide order no. CP (IB) No.166/7/HDB/2019 pronounced on September 05, 2019, under the Insolvency & Bankruptcy Code. Therefore, it may no longer be useful or necessary for CARE to maintain a rating on the rated entity's debt obligations.

Analytical approach: Not Applicable

Applicable Criteria

[Policy on Withdrawal of Ratings](#)

About the Company:

Suryajyoti Spinning Mills Ltd. (SSML), promoted by Mr Ravinder Kumar Agarwal (Managing Director), was incorporated in 1983, and commenced operations from January 1991. SSML commenced operations with installed capacity of 5,040 spindles and gradually increased it to 86,560 spindles. The manufacturing units are located at Makthal, Burgul and Rajapur Villages of Mahaboobnagar District, Telangana. SSML manufactures medium to coarser counts of carded and combed cotton yarn and various blends of synthetic yarn such as polyester (100%), viscose (100%) and polyester viscose/polyester-cotton blends.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	82.34	33.40
PBILDT	-32.60	-4.92
PAT	-60.90	-21.25
Overall gearing (times)	NM	NM
Interest coverage (times)	NM	NM

A: Audited; 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: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

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

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

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	0.00	Withdrawn
Fund-based - LT-Cash Credit	-	-	-	0.00	Withdrawn
Non-fund-based - ST-BG/LC	-	-	-	0.00	Withdrawn
Fund-based - ST-Bills discounting/ Bills purchasing	-	-	-	0.00	Withdrawn

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 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	-	-	1)CARE D; ISSUER NOT COOPERATING* (21-Jul-20)	1)CARE D; ISSUER NOT COOPERATING* (14-May-19)	-	1)CARE D; ISSUER NOT COOPERATING* (04-Jan-18)
2.	Fund-based - LT-Cash Credit	LT	-	-	1)CARE D; ISSUER NOT COOPERATING* (21-Jul-20)	1)CARE D; ISSUER NOT COOPERATING* (14-May-19)	-	1)CARE D; ISSUER NOT COOPERATING* (04-Jan-18)
3.	Non-fund-based - ST-BG/LC	ST	-	-	1)CARE D; ISSUER NOT COOPERATING* (21-Jul-20)	1)CARE D; ISSUER NOT COOPERATING* (14-May-19)	-	1)CARE D; ISSUER NOT COOPERATING* (04-Jan-18)
4.	Fund-based - ST-Bills discounting/ Bills purchasing	ST	-	-	1)CARE D; ISSUER NOT COOPERATING* (21-Jul-20)	1)CARE D; ISSUER NOT COOPERATING* (14-May-19)	-	1)CARE D; ISSUER NOT COOPERATING* (04-Jan-18)

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Not Applicable.

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

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple
2.	Fund-based - LT-Term Loan	Simple
3.	Fund-based - ST-Bills discounting/ Bills purchasing	Simple
4.	Non-fund-based - ST-BG/LC	Simple

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@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.

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