

November 20, 2015

CARE REVISES RATINGS ASSIGNED TO BANK FACILITIES OF THE RUBY MILLS LIMITED

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Bank Facilities-Fund-based - LT-Term Loan	262.62 (378.34)	CARE D (Single D)	Revised from CARE BB- (Double B Minus)
Bank Facilities-Fund-based - LT-Cash Credit	23.00 (23.00)	CARE D (Single D)	Revised from CARE BB- (Double B Minus)
Bank Facilities-Non-fund-based - ST-BG/LC	12.80 (12.80)	CARE D (Single D)	Revised from CARE A4 (A Four)
Total Bank Facilities	298.42 (Rupees Two Hundred Ninty Eight crore and Forty Two lakh only)		

Rating Rationale

The revision in the ratings of The Ruby Mills Limited (TRML) takes in to account the ongoing delays in debt servicing owing to strained liquidity position.

Background

The Ruby Mills Limited (TRML) was incorporated in 1917 and started its commercial operations in 1921. TRML is one of the oldest running textile mills in Mumbai and also has presence in real estate development. TRML is a composite mill engaged in manufacturing cotton/ blended yarn and fabric at its plant in Dadar (Mumbai), Kharsundi and Dhamni (Raigad, Maharashtra). As on March 31, 2015, TRML has installed capacity of 21,768 spindles, 744 rotors autocore and 128 looms at its plant located at Dhamni, while TRML is engaged in fabric processing activity at its modern plant at Kharsundi.

In 2007, TRML shifted part of its operations from Dadar to Raigad resulting in availability of land at prime location for real estate development. TRML has entered into a development agreement with Mindset Estate Private Limited (MEPL, a 100% subsidiary of Rohan Lifescapes) to construct an IT Park on the available land. TRML has developed an IT park namely "**The Ruby**" on the aforesaid land with total leasable/saleable area of 12.50 lakh sq ft on a total FSI of 2.66 times.

During September and October 2015 the company has concluded sales transaction worth Rs.200.50 cr. The company has further leased 61500 sq.ft. and is planning to raise LRD of Rs.120.00 crore against the same. The company has executed LOI for real estate sale worth Rs.160.00 crore the transaction of which is expected to be completed by March 2016. These transactions would help in improving cash flow situation. Further, TRML has term debt repayment obligation of Rs. 51.00 Cr till March 31, 2016.

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

During FY15 (refers to the period April 01 to March 31), TRML reported a total operating income of Rs.237.41 crore and PAT of Rs.53.94 crore as compared with Rs.223.77 crore and Rs.44.90 crore, respectively, for FY14.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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