

FEBRUARY 03, 2015

CARE REAFFIRMS THE RATING ASSIGNED TO THE BANK FACILITIES OF TRIMURTY SPINNING MILLS PRIVATE LIMITED

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long term Bank Facilities	16.02 (Reduced from 17.15)	CARE B+ (Single B Plus)	Reaffirmed
Short term Bank Facilities	1.25	CARE A4 (A Four)	Reaffirmed
Total Facilities	17.27		

Rating Rationale

The ratings assigned to the bank facilities of Trimurty Spinning Mills Private Limited (TSMPL) continue to remain constrained on account of its nascent stage of operations, moderately leveraged capital structure and weak debt protection indicators. The ratings also take into account the highly competitive nature of the cotton spinning industry and susceptibility of TSMPL's margins to volatile raw material prices.

The ratings, however, continue to derive strength from the long standing experience of the promoters in the cotton spinning sector, proximity of the manufacturing facility to the raw material sources as well as customers, diversified customer base and favorable demand from the user industries.

Ability of the company to increase its scale of operations and profitability margins amidst volatility in raw material prices, alongwith improvement in the capital structure will remain the key rating sensitivities.

Background

Trimurty Spinning Mills Private Limited (TSMPL) was incorporated in August 2010 by Mr Suryawanshi, Mr Mhetre and Mr Naik, for the manufacturing of cotton yarn. Located in Ichalkaranji, Maharashtra, TSMPL is engaged in the manufacturing of long strand cotton yarn, i e 40s combed hosiery compact type yarn. The company has set up 13,056 spindles and has a manufacturing capacity of about 17.57 lakh kgs of cotton yarn per annum. Commercial operations of the company commenced from March 15, 2013 and FY14 (refers to the period April 1 to March 31) was the first full year of operations. In FY14 TMSPL reported a net loss of 1.42 crore on a total operating income of Rs.33.28 crore as against a net loss of Rs.0.02 crore and total operating income of Rs.0.02 crore in FY13. Furthermore, during 8MFY15, the company earned PBILDT of Rs.2.12 crore on a total operating income of Rs.28.53 crore.

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

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

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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