



## Rating Rationale

Jayaa Sree Textiles Private Limited

7 Feb 2018

**Brickwork Ratings reaffirms rating for the bank loan facilities of Rs.5.41 Crs of Jayaa Sree Textiles Private Limited**

### Particulars

Facility	Amount (₹ Crs)		Tenure	Rating	
	Previous	Present		Previous	Present
<b>Fund Based Cash Credit Term Loan</b>	<b>4.00 0.62</b>	<b>4.75 0.25</b>	<b>Long Term</b>	<b>BWR B (Pronounced as BWR single B) Outlook : Stable</b>	<b>BWR B (Pronounced as BWR single B) Outlook : Stable Reaffirmed</b>
<b>Non Fund Based Bank Guarantee</b>	<b>0.41</b>	<b>0.41</b>	<b>Short Term</b>	<b>BWR A4 (Pronounced as BWR A Four)</b>	<b>BWR A4 (Pronounced as BWR A Four) Reaffirmed</b>
<b>Total</b>	<b>5.03</b>	<b>5.41</b>		<b>(INR Five Crores and Forty One Lakhs only)</b>	

\* Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

### Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial results up to FY17 and projected financials of FY18 Jayaa Sree Textiles Private Limited, publicly available information and information/clarifications provided by the company.

The ratings draw strength from the extensive industry experience of the director's, established track record of operations, diversified product portfolio and growth in income. The ratings are, however, constrained by moderate scale of operations, intense competition in textile market, moderate net worth and limited pricing flexibility on account of competition from existing players.

### Rating Outlook: Stable

BWR believes the **Jayaa Sree Textiles Pvt Ltd** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

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### About the Company

Jayaa Sree Textiles Private Limited, incorporated in the year 2004 as private limited company at N.Subbiahpuram, Sattur Tk - engaged in manufacturing clothes using yarn and cotton. Currently they have a workforce of 160 Nos, increased from initial workforce of 60 No's. Majority of the customers are from MP, Maharashtra and Tamilnadu.

### Key Financial Indicators

Particulars	FY14 (Actuals)	FY15 (Actuals)	FY16 (Actuals)	FY17 (Actuals)
Total Income (In Crs)	18.73	17.94	17.47	16.81
EBIDTA (In Crs)	1.67	1.66	1.44	1.97
PAT (In Crs)	0.16	0.03	-0.01	0.03
Net worth (In Crs)	2.01	2.04	2.03	2.06
Total Debt / TNW (Times)	4.11	3.98	4.26	4.36
Current Ratio (Times)	0.98	0.99	1.20	1.15

### Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (2018)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating (Current)	2017	2016	2015
					15/02/17		
1.	Cash Credit	Long Term	4.75	BWR B	BWR B	NA	NA
2.	Term Loan		0.25				
3.	Bank Guarantee	Short Term	0.41	BWR A4	BWR A4		
<b>Total</b>			<b>5.41 (Five crores and forty one lakhs only)</b>				

**Status of non cooperation with Previous CRA : Non Applicable**

**Any other information: Non Applicable**



## Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Short Term Debt](#)

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### Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

### About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

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