

## RATING RATIONALE

17-Feb-2020

### Jayavelu Spinning Mills Pvt Ltd

**Brickwork Ratings revises the ratings for the Bank Loan Facilities of ₹ 20.35 Crores of Jayavelu Spinning Mills Pvt Ltd based on best available information, as the issuer did not cooperate\*.**

### Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#		
	Previous	Present		Previous (Jan 2018)	Previous (April, 2019)	Present
<b>Fund based</b>	<b>20.35</b>	<b>20.35</b>	<b>Long Term</b>	<b>BWR BB-Stable</b>	<b>Rating Not reviewed</b>	<b>BWR B+ Stable Downgrade Issuer did not Cooperate*</b>
<b>Non Fund Based</b>	<b>(8.00)</b>	<b>(8.00)</b>	<b>Short Term</b>	<b>BWR A4</b>	<b>Rating Not reviewed</b>	<b>BWR A4 Reaffirm Issuer Not Cooperating*</b>
<b>Total</b>	<b>20.35</b>	<b>20.35</b>	<b>INR Twenty Crores and Thirty Five Lakhs Only</b>			

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

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

Details of Bank facilities is provided in Annexure-I&II

### NATURE OF NON-COOPERATION

The rating was due for a review in Jan 2019, BWR took up with the issuer to provide required information. Despite the best efforts of BWR to get at least the minimum required information for a review, the issuer has not provided the same. In the absence of adequate information from the issuer BWR is unable to assess the issuer's financial performance and its ability to service its debt and maintain a valid rating. Hence, based on best available information and lender feedback Brickwork Ratings has downgraded the rating to BWR B+ and migrated the rating to the ISSUER NOT COOPERATING\* category.

### LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress.

### KEY FINANCIAL INDICATORS in (₹ Cr)

Key Parameters	Units	FY 2017	FY 2016
Result Type		Audited	Audited
Net Sales	In Crs	68.29	57.47
EBITDA	In Crs	8.53	8.11
PAT	In Crs	0.54	0.59
Tangible Net worth	In Crs	34.58	34.03
Total Debt to Tangible Net worth	Times	0.92	0.98
Current Ratio	Times	1.06	1.13

### COMPANY PROFILE (As available in Jan, 2018)

The company was incorporated in 1994 by Mr. Pethinaidu Veluchamy, Mrs. R. Renuga Devi and her family. The mill is situated at Mettilpatti Village, Tuticorin Tamil Nadu. The promoters of the company are Mr. G. Rajaram, Mr. Gopal Dinakaran, Mr. Subburajulu, Ms. R. Renuga Devi, Mr. V. Prem Subburaj and Mr. G. Ravi. They are engaged in manufacturing cotton yarn for exports and domestic market.

### NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY- NA

## RATING HISTORY

Instrument / Facilities	Current Rating			Rating History		
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	2019	2018	2016
<b>Fund based</b>	<b>Long Term</b>	<b>20.35</b>	<b>BWR B+ Downgrade Issuer did not Cooperate*</b>	<b>BWR BB-Stable (Not Reviewed)</b>	<b>BWR BB-Stable</b>	<b>BWR BB-Stable (Not Reviewed)</b>
<b>Non Fund Based</b>	<b>Short Term</b>	<b>(8.00)</b>	<b>BWR A4 Reaffirm Issuer did not Cooperate*</b>	<b>BWR A4 (Not Reviewed)</b>	<b>BWR A4</b>	<b>BWR A4 (Not Reviewed)</b>
<b>Total</b>		<b>20.35</b>	<b>INR Twenty Crores and Thirty Five Lakhs Only</b>			

## COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

### Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [What constitutes as Non cooperation](#)

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## ANNEXURE I

### *Jayavelu Spinning Mills*

#### Details of Bank Facilities rated by BWR#

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1	Lakshmi Villas Bank	Cash Credit	15.00	-	15.00
2		Term Loans	5.35	-	5.35
3		BG/ILC/FL C/PC/PCFC	-	(8.00)	(8.00)
<b>TOTAL</b>					<b>20.35</b>

**Total INR Twenty Crores and Thirty Five Lakhs Only**

#As available with BWR in 2018



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