

October 25, 2019

Srinivasa Murugan Industries: Ratings Withdrawn

Summary of rated instruments

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term Fund based	12.00	12.00	[ICRA]B+ (Stable); Withdrawn
Long Term-Fund Based-Term Loan	2.50	2.50	[ICRA]B+ (Stable); Withdrawn
Unallocated	5.50	5.50	[ICRA]B+(Stable)/[ICRA]A4; Withdrawn
Total	20.00	20.00	

Rating action

ICRA has withdrawn the long-term rating of [ICRA]B+ (Stable) (pronounced ICRA B plus with Stable outlook) and the short term rating of [ICRA]A4 (pronounced ICRA A four) assigned to the Rs. 20.00 crore¹ bank facilities of Srinivasa Murugan Industries(SMI)².

Rationale

The rating is withdrawn in accordance with ICRA's policy on withdrawal and suspension at the request of the company, based on no-due certificate provided by its banker.

Key rating drivers

Key Rating drivers has not been captured as the rated instrument is being withdrawn

Liquidity Position:

Not Applicable

Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Rating Methodology ICRA Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	NA
Consolidation / Standalone	Standalone

¹ 100 lakh = 1 crore = 10 million

² For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications

About the company:

Srinivasa Murugan Industries (SMI) was constituted as a partnership firm in the year 2015 and commenced operations in October 2015. The firm's plant is located at Talakondapally, Ranga Reddy district of Telangana and is engaged in ginning, pressing and trading of cotton lint. The installed capacity of the firm is 1,63,296 quintals of cotton ginning.

In FY2018, the firm reported a net profit of Rs. 0.3 crore on an operating income of Rs. 134.1 crore, as compared to a net profit of Rs. 0.5 crore on an operating income of Rs. 156.5 crore in FY2017.

Key financial indicators (Audited)

	FY 2017	FY 2018
Operating Income (Rs. crore)	156.5	134.1
PAT (Rs. crore)	0.5	0.3
OPBDIT/OI (%)	1.9%	2.3%
RoCE (%)	8.9%	9.5%
Total Debt/TNW (times)	4.5	3.1
Total Debt/OPBDIT (times)	7.6	5.9
Interest Coverage (times)	1.8	1.6

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

Instrument	Current Rating (FY2020)				Rating History for the Past 3 Years				
	Type	Amount Rated	Amount Outstanding	Rating 25-Oct-2019	02-July-2019	FY2019 24-Apr-2018	FY2018	FY2017	
1 Fund Based -Cash Credit	Long Term	12.00	-	[ICRA]B+ (Stable); Withdrawn	[ICRA]B+ (Stable)	[ICRA]B+ (Stable)	-	-	-
2 Fund Based - Term Loan	Long Term	2.50	-	[ICRA]B+ (Stable); Withdrawn	[ICRA]B+ (Stable)	[ICRA]B+ (Stable)	-	-	-
3 Unallocated	Long Term/Short Term	5.50	-	[ICRA]B+ (Stable)/ [ICRA]A4; Withdrawn	[ICRA]B+ (Stable)/ [ICRA]A4	[ICRA]B+ (Stable)/ [ICRA]A4	-	-	-

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	12.50	[ICRA]B+ (Stable); Withdrawn
NA	Term Loan	April-2015	NA	March-2022	2.50	[ICRA]B+ (Stable); Withdrawn
NA	Unallocated	NA	NA	NA	5.50	[ICRA]B+ (Stable)/ [ICRA]A4; Withdrawn

Source: Srinivasa Murugan Industries

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