



SMERA RATINGS LIMITED

Shiva Speciality Yarns Limited (SSYL)**Rating
Rationale****March 13, 2014**

Facilities	Amount (Rs. Crore)	Rating
Cash Credit	44.00	SMERA D (Assigned)
Term Loans	41.90	SMERA D (Assigned)
Bank Guarantee/Letter of Credit	1.00	SMERA D (Assigned)

SMERA has assigned a rating of '**SMERA D**' to the Rs.86.90 crore bank facilities of Shiva Speciality Yarns Limited (SSYL). The rating reflects the company's delays in servicing debt obligations on account of weak liquidity position. The rating factors in the management's long-standing experience in the textile industry.

SSYL was originally promoted by the Singla family. In November 2007, the company was taken over by the Shiva Group, which comprises Shiva Texfabs Limited (SMERA D), Himachal Fibres Limited (SMERA D), Yogindera Worsted Limited (SMERA D), KK Fibers Limited (SMERA C/SMERA A4), Shiva Spin-N-Knit Limited and Indian Yarns Limited.

About the company

SSYL, incorporated in 2005, is a Ludhiana-based company engaged in manufacturing of dyed polyester yarn. SSYL has a manufacturing unit in Bhatinda (Punjab), with an installed capacity of 11,725 metric tonnes per annum.

For FY2012-13 (refers to financial year, April 01 to March 31), SSYL reported PAT of Rs.0.40 crore on net sales of Rs.190.95 crore, as compared with PAT of Rs.0.72 crore on net sales of Rs.149.16 crore for FY2011-12. SSYL's net worth stood at Rs.29.72 crore as on March 31, 2013, as compared with Rs.31.30 crore a year earlier.

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