

RATING RATIONALE

4 Nov 2019

Amaravathi Spinning Mills (RJPM) Pvt Ltd

Brickwork Ratings Revises the ratings for the Bank Loan Facilities of ₹ 14.74 Crores of Amaravathi Spinning Mills (RJPM) Pvt Ltd based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (Feb, 2019)	Present
Fund based	13.71	13.71	Long Term	BWR D (Pronounced as BWR D) (Not Reviewed)	Issuer did not Cooperate BWR D Reaffirmed
Non Fund Based	1.03	1.03	Short Term	BWR D (Pronounced as BWR D) (Not Reviewed)	Issuer did not Cooperate BWR D Reaffirmed
Total	14.74	14.74	Rs Fourteen Crores and Seventy Four Lakhs only		

Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

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

Details of Bank facilities/NCD/Bonds/Commercial Paper is provided in Annexure-I&II

NATURE OF NON-COOPERATION

The rating was due for a review, BWR took up with the issuer to provide required information over emails and through telephone calls. Despite the best efforts of BWR to get at least the minimum required information for a review, the company has not provided the same. In the absence of adequate information from the company BWR is unable to assess the company'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 reaffirmed the rating to BWR D 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) [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY 2017	FY 2016
Result Type		Audited	Audited
Operating Income	In Crs	27.31	25.41
EBITDA	In Crs	3.21	3.24
PAT	In Crs	0.31	0.30
Tangible Net worth	Times	6.62	6.31
Total Debt to Tangible Net worth	Times	2.08	2.26
Current Ratio	Times	1.44	1.48

COMPANY PROFILE (As available in Nov, 2017)

Amaravathi Spinning Mills (rajapalayam) Private Limited (ASMRPL), incorporated as a Private Limited Company in November 1989, is primarily engaged in producing cotton yarn. Based in Rajapalayam (Tamil Nadu), the Company commenced commercial production in 1992 with a capacity of 2,880 spindles and gradually enhanced it to 12,168 spindles. The company sold yarn in markets like Coimbatore, Salem, Erode, Tirupur and Karur. ASMRPL also commenced production of socks at Erode (Tamil Nadu) in August 2011 and exports the same to Poland. The Company is closely held by the promoters and their relatives.

NON-COOPERATION WITH PREVIOUS RATING AGENCY- 'CRISIL D/CRISIL D Issuer not cooperating' as on 13-FEB-2019

RATING HISTORY

Instrument / Facilities	Current Rating			Rating History		
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	Feb, 2019	Nov, 2017	Sep, 2016
Fundbased	Long Term	13.71	Issuer did not Cooperate BWR D Reaffirmed	BWR D (Pronounced as BWR D) (Not Reviewed)	BWR D (Pronounced as BWR D)	BWR B (Pronounced as BWR B) Outlook: Stable
Non Fund Based	Short Term	1.03	Issuer did not Cooperate BWR D Reaffirmed	BWR D (Pronounced as BWR D) (Not Reviewed)	BWR D (Pronounced as BWR D)	BWR A4 (Pronounced as BWR A Four)
Total		14.74	Rs Fourteen Crores and Seventy Four Lakhs only			

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

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

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ANNEXURE I

Amaravathi Spinning Mills (RJPM) Pvt Ltd

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	State Bank Of India, Madurai	Cash Credit	7.00	-	7.00
2		EPC	3.00	-	3.00
3		Stand by Line of Credit	1.50	-	1.50
4		Term Loan	2.21	-	2.21
5		Letter of Credit	-	1.00	1.00
6		CEL	-	0.03	0.03
TOTAL					14.74

Total Rs Fourteen Crores and Seventy Four Lakhs only



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