

RATING RATIONALE

16 April 2021

Amurtha Textiles

Brickwork Ratings revises the ratings for the Bank Loan Facilities of ₹11.00 Crores of Amurtha Textiles based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous Mar 2020	Present
Fund based	10.12	10.12	Long Term	BWR BB- (Stable)	BWR B+ (Stable) (Downgrade) Issuer Not Cooperating*
Non-Fund based	0.88	0.88	Short Term	BWR A4	BWR A4 (Reaffirm) Issuer Not Cooperating*
Total	11.00	11.00	INR Eleven Crores 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 is provided in Annexure-I&II

RATING ACTION

In view of the non-availability of the information and lack of cooperation from the issuer, Brickwork Ratings has downgraded the rating to ‘BWR B+/Stable/A4, Issuer Not Cooperating’, for the bank loan facilities amounting to Rs. 11.00 Crores of Amurtha Textiles

OUTLOOK / NATURE OF NON-COOPERATION

The rating was due for a review in Mar, 2021. 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 firm has not provided the same. In the absence of adequate information from the firm, BWR is unable to assess the firm’s financial performance and its ability to service its debt and maintain a valid rating. The firm has also been irregular with respect to the submission of the monthly No Default Statement. Hence, based on best available information, continued lack of management cooperation and banker’s feedback, the rating is downgraded and migrated 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, non-cooperation 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 Financial Indicators	Units	FY19	FY18
Result Type		Audited	Audited
Total operating income	Rs Crs	58.76	40.68
EBITDA	Rs Crs	2.58	2.21
PAT	Rs Crs	0.98	0.65
Tangible Net Worth	Rs Crs	10.38	9.71
Total Debt/TNW	Times	1.29	0.90
Current Ratio	Times	1.41	1.23

COMPANY PROFILE

Amurtha Textiles is a proprietorship concern set up in 1992 by Mr. S. Sathasivam. The concern is engaged in the manufacturing of cotton yarn of 40s count and also grey fabric, with fabric conversion being primarily outsourced. The concern's manufacturing facility is located in Coimbatore, Tamil Nadu with an installed capacity of 20112 spindles. The concern has tied up with various unorganized weavers for the fabric conversion.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NA

RATING HISTORY FOR THE LAST 3 YEARS (including withdrawn and suspended)

Facilities	Current Rating (2021)			Rating History		
	Tenure	Amount (₹ Cr)	Rating	Mar, 2020	2019	Aug, 2018
Fund Based	Long Term	10.12	BWR B+ (Stable) (Downgrade) Issuer Not Cooperating *	BWR BB- (Stable)	-	BWR BB- (Stable)
Non-Fund Based	Short Term	0.88	BWR A4 (Reaffirm) Issuer Not Cooperating *	BWR A4	-	BWR A4
Total		11.00	INR Eleven Crores Only			

*Issuer did not cooperate; based on best available information

COMPLEXITY LEVELS OF THE INSTRUMENTS

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

Hyperlink/Reference to applicable Criteria

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

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ANNEXURE I

Amurtha Textiles

Details of Bank Facilities rated by BWR

Sl.No.	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1.	Cash Credit	6.50	-	6.50
2.	Term Loan	1.34	-	1.34
3.	Term Loan- V	1.84	-	1.84
4.	Term Loan – VI	0.44	-	0.44
5.	Bank Guarantee	-	0.88	0.88
Total				11.00

Total Rupees Eleven Crores only.



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