



RATING RATIONALE

14 Oct 2019

Arun Spinning Mills Private Limited

Brickwork Ratings Revises the ratings for the Bank Loan Facilities of ₹21.08 Crores of Arun Spinning Mills Pvt. Ltd. based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (May, 2018)	Present
Fund based	16.08	16.08	Long Term	BWR C+ Issuer Not Cooperating <i>(Pronounced BWR Single C Plus)</i>	BWR D
Non Fund based	5.00	5.00	Short Term	BWR A4 Issuer Not Cooperating <i>(Pronounced as BWR A Four)</i>	Issuer Not Cooperating* <i>(Pronounced as BWR Single D)</i> (Downgraded)
Total	21.08	21.08	INR Twenty One Crores and Eight 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 is provided in Annexure-I&II

RATING ACTION

Downgraded to BWR D (Issuer did not co-operate) based on best available information as the Issuer did not cooperate .

OUTLOOK / NATURE OF NON-COOPERATION

The rating was due for a review in May,2019. 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 entity has not provided the same. In the absence of adequate information from the issuer/Company, BWR is unable to assess the issuer's/Company's financial performance and its ability to service its debt and maintain a valid rating. BWR has received feedback from banker that the account has been classified as Non Performing Asset (NPA). Hence, based on best available information and lender feedback, Brickwork Ratings has revised the ratings to BWR D and migrated the ratings 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 Parameters	Units	FY 2015	FY 2016
Result Type		Audited	Audited
Operating Revenue	Crore	56.01	68.46
EBITDA	Crore	7.00	6.69
PAT	Crore	0.27	0.71
Tangible Net Worth	Crore	6.37	7.11
Total Debt / Tangible Net Worth	Times	3.15	3.06
Current Ratio	Times	0.83	0.91

COMPANY PROFILE

Arun Spinning Mills P Ltd (ASMPL) was incorporated in 1997 at Rajapalayam, Tamilnadu to manufacture grey cotton yarn. It is promoted by Mr. P Subbaraman.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NA

RATING HISTORY

Facilities	Current Rating			Rating History		
	Tenure	Amount (₹ Cr)	Rating	22-05-2018	21-02-2017	19-02-2016
Term Loan Cash Credit	Long Term	1.88 14.20	Issuer did not Co-operate; BWR D (Pronounced as BWR Single D) (Downgraded)	BWR C+ Issuer did not Co-operate	BWR B- (Stable)	BWR B (Stable)
ILC/FC (WC)	Short Term	5.00		BWR A4 Issuer did not Co-operate	BWR A4	BWR A4
Total		21.08	INR Twenty One Crores and Eight Lakhs Only			

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

Arun Spinning Mills Private Limited

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	Term Loan	1.88	-	1.88
		Cash Credit	14.20	-	14.20
		Letter of Credit	-	5.00	5.00
TOTAL					21.08

Total Rupees Twenty One Crores and Eight Lakhs only.



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