



Rating Rationale

Aruna Textile Processing Mills

02July2019

Brickwork Ratings has reviewed the Rating for the Bank Loan facilities of ₹18.00 Crore of Aruna Textile Processing Mills based on best available information, as the issuer did not cooperate. Accordingly the rating for the said instrument is as under

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating*	
	Previous	Present		Previous (Mar 2018)	Present
Fund based	16.77	16.77	Long Term	BWR B (Pronounced as BWR Single B) Outlook: Stable	Issuer did not Cooperate; BWR B- (Pronounced as BWR Single B Minus) (Outlook: Stable) (Downgraded)
Non Fund Based	1.23	1.23	Short Term	BWR A4 (Pronounced as BWR A Four)	Issuer did not Cooperate; BWR A4 (Pronounced as BWR A Four) (Reaffirmed)
Total	18.00	18.00	₹ Eighteen Crores Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
Issuer did not cooperate; based on best available information

Ratings: Long term rating downgraded and short term rating reaffirmed

In view of the non-availability of the information and lack of management cooperation, Brickwork Ratings has downgraded the long term rating from BWR B (Outlook: Stable) to BWR B- (Outlook: Stable) and reaffirmed the short term rating of BWR A4 for bank loan facilities amounting to ₹18.00 Cr of Aruna Textile Processing Mills.



The lenders may note to exercise due caution while using the above ratings, which mentions “Issuer Not Cooperating” since the ratings lack any projections of a forward looking component as it is arrived based on best available information on the firm without any management/ banker’s interaction.

Nature of Non-co-operation:

The rating was due for a review in **March 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, BWR is unable to assess the issuer’s financial performance and its ability to service its debt and maintain a valid rating.

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.

About the Company (Information as available in March 2018)

Aruna Textile Processing Mills, a partnership firm. Established in the year 1996 at Gangapuram, Erode. They are engaged in Textile processing, Yarn Dyeing, Textile printing, Bleaching and Rotary printing

Rating History for the last three years (including withdrawn/suspended ratings)

S.No	Facility	Current Rating (2019)			Rating History		
		Type	Amount (₹ Cr)	Rating^	27.03.2018	2017	2016
1.	Fund Based	Long Term	16.77	Issuer did not Cooperate; BWR B- (Pronounced as BWR B Minus) Outlook: Stable (Downgraded)	BWR B (Pronounced as BWR Single B) Outlook: Stable	Not Rated	Not Rated
2.	Non Fund Based	Short Term	1.23	Issuer did not Cooperate; BWR A4 (Pronounced as BWR A Four) (Reaffirmed)	BWR A4 (Pronounced as BWR A Four)		
Total			18.00	₹ Eighteen Crores Only			

^ Issuer did not cooperate; based on best available information

Status of non-cooperation with previous CRA - Not to our knowledge

Any other information - NIL

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)

Aruna Textile Processing Mills

Annexure I

Particulars	Units	FY17	FY16
Net Sales/Revenues	₹ Cr	41.09	30.12
EBIDTA	₹ Cr	8.03	3.64
PAT	₹ Cr	3.94	1.22
Tangible Networth	₹ Cr	11.85	7.70
Total Debt : TNW	Times	0.97	1.13
Current Ratio	Times	1.79	1.35

Note: As per the information available with BWR

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

DISCLAIMER

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