

## Arupadai Arulmurugan Spinners Private Limited

December 24, 2021

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	8.81	CARE B-; Stable; ISSUER NOT COOPERATING* (Single B Minus; Outlook: Stable; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B; Stable; (Single B; Outlook: Stable)
<b>Total Bank Facilities</b>	<b>8.81</b> <b>(Rs. Eight Crore and</b> <b>Eighty-One Lakhs Only)</b>		

*Details of facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated November 27, 2020, placed the rating(s) of Arupadai Arulmurugan Spinners Private Limited (AASPL) under the 'issuer non-cooperating' category as AASPL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. AASPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated October 13, 2021, October 23, 2021 and November 02, 2021.

In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

***Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).***

The ratings assigned to the bank facilities of AASPL have been revised on account of non-availability of requisite information. The ratings also factored in decline in scale of operations, operating profitability and deterioration in capital structure.

### Detailed description of the key rating drivers

Please refer to PR dated [November 27, 2020](#)

**Analytical approach:** Standalone

### Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

### About the Company

Arupadai Arulmurugan Spinners Private Limited (AASPL) was incorporated in the year 2006. The company is promoted by Mr. S. Suresh Kumar and their friends and relatives. The company is engaged in manufacturing of blended yarn comprising of viscose. It also manufactures viscose yarn based on customer needs. The company procures the raw material (viscose) from Grasim Industries Limited. The company sells its products i.e. viscose yarn to traders and manufacture of apparel.

Brief Financials (Rs. crore)	FY20 (A)	FY21(A)	H1FY22 (Prov.)
Total operating income	54.41	NA	NA
PBILDT	3.67	NA	NA
PAT	1.70	NA	NA
Overall gearing (times)	4.24	NA	NA
Interest coverage (times)	3.44	NA	NA

*A: Audited; Prov.: Provisional; NA: Not Available*

**Status of non-cooperation with previous CRA:** CRISIL vide its press release dated September 29, 2016 has suspended the rating of AASPL on account of its inability to carry out a review in the absence of requisite information from the company.

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

**Covenants of rated instrument/facility:** Annexure-3

**Complexity level of various instruments rated for this company:** Annexure-4

**Annexure-1: Details of Instruments / Facilities**

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	March 2019	0.81	CARE B-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	8.00	CARE B-; Stable; ISSUER NOT COOPERATING*

*\*Issuer did not cooperate; based on best available information*

**Annexure-2: Rating History of last three years**

Sr. No	Name of the Instrument / Bank Facilities	Current Ratings		Rating history				
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Term Loan	LT	0.81	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (27-Nov-20)	1)CARE B+; Stable; ISSUER NOT COOPERATING* (03-Sep-19)	1)CARE B+; Stable; ISSUER NOT COOPERATING* (10-Oct-18)
2	Fund-based - LT-Cash Credit	LT	8.00	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (27-Nov-20)	1)CARE B+; Stable; ISSUER NOT COOPERATING* (03-Sep-19)	1)CARE B+; Stable; ISSUER NOT COOPERATING* (10-Oct-18)

*\*Issuer did not cooperate; based on best available information*

**Annexure-3: Detailed explanation of covenants of the rated instrument / facilities:** Not Applicable

**Annexure 4: Complexity level of various instruments rated for this company**

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for any clarifications.

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### About CARE Ratings:

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