Rating Rationale

A -Tex Home Collection

30 Apr 2021

Brickwork Ratings has reviewed the Rating for the Bank Loan facilities of ₹ 15.88 Crore of A -Tex Home Collection 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 (Feb 2020)	Present
Fund based	3.88	**3.88**	**Long Term**	BWR B + (Stable) Upgraded	**BWR B (Stable) Downgraded Issuer Not Cooperating***
	12.00	**12.00**	**Short Term**	BWR A4 Reaffirmed	**BWR A4 Reaffirmed Issuer Not Cooperating***
Total	15.88	**15.88**	**₹ Fifteen Crores and Eighty Eight Lakhs Only**		

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

Nature of Non-co-operation:

The rating was due for a review in Feb 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 entity has not provided the same. In the absence of adequate information/ NDS (No Default Statements) from the firm on a regular basis, BWR is unable to assess the firm's financial performance and its ability to service its debt and maintain a valid rating.

Hence, on account of inadequate information and lack of management cooperation, Brickworks Ratings has downgraded the rating to BWR B (Stable)/ reaffirmed to A4 and categorized the ratings as "Issuer Not Cooperating".

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. Users of the credit rating should, therefore, take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of the information required for a review of the rating.

About the Company (Information as available in Feb 2020)

A-Tex Home collections, based in Karur was incorporated in 1968, started by Mr Chandra Gounder. The business was taken over by his son Mr Ganeshan and Mr. Ganeshan's sons Mr. Prithvi, Mr. Pradeep Kumar, and Mr. Prem Kumar in 2002. During 2012, the firm has again undergone reconstitution and since 2012 the business is being carried out by Mr Prithvi and his wife Mrs P.Devi Akilandeswari as partners. The firm is into manufacturing Garment cover, home textiles (Table linen, pillow covers, screens, cushion covers) and chocolate pouches.

Rating History for the last three years (including withdrawn/suspended ratings)

S. No	Instrument /Facility	Current Rating (2021)			Rating History		
		Type (Long Term/ Short Term)	Amount (₹ Cr)	Rating^	12Feb2020	29Aug2019	19Jan2018
1.	**Fund Based**	Long Term	**3.88**	**BWR B (Stable) Downgraded Issuer Not Cooperating***	**BWR B + (Stable) Upgraded**	**BWR B (Stable) Issuer Not Cooperating***	**BWR B + (Stable) Reaffirmed**
	Fund Based	Short Term	**12.00**	**BWR A4 Reaffirmed Issuer Not Cooperating***	**BWR A4 Reaffirmed**	**BWR A4 Issuer Not Cooperating***	**BWR A4 Reaffirmed**
	Total		**15.88**	**₹ Fifteen Crores and Eighty Eight Lakhs Only**			

^Issuer did not co-operate; based on best available information

Status of non-cooperation with previous CRA - NA

Hyperlink/Reference to applicable Criteria

- [General Criteria]
- [What Constitutes Non-Cooperation]

A -Tex Home Collection
Annexure I

Particulars	Units	2019	2018
Net Sales/Revenues	₹ Cr	36.93	21.21
EBIDTA	₹ Cr	3.62	2.00
PAT	₹ Cr	1.59	0.79
Tangible Networth	₹ Cr	8.94	5.50
Total Debt : TNW	Times	1.54	1.22
Current Ratio	Times	1.46	1.55

Note: As per information available with BWR

Analytical Contacts	
Pratik Panda **Junior Rating Analyst** **B :+91 80 4040 9940** **pratik.p@brickworkratings.com**	**Varadarajan R** **Associate Director - Ratings** **B :+91 44 24663326** **varadarajan.r@brickworkratings.com**
1-860-425-2742	**media@brickworkratings.com**

For print and digital media The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

About Brickwork Ratings

Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI], offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,400 medium and large corporates and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations. BWR has Canara Bank, a leading public sector bank, as one of the promoters 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.

incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the Rating Rationales and/or Rating Reports even if advised of the possibility of such damages. However, BWR or its associates may have other commercial transactions with the company/entity. BWR and its affiliates do not act as a fiduciary.

BWR keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of the respective activity. As a result, certain business units of BWR may have information that is not available to other BWR business units. BWR has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

BWR clarifies that it may have been paid a fee by the issuers or underwriters of the instruments, facilities, securities etc., or from obligors. BWR's public ratings and analysis are made available on its web site, www.brickworkratings.com. More detailed information may be provided for a fee. BWR's rating criteria are also generally made available without charge on BWR's website.

This disclaimer forms an integral part of the Ratings Rationales / Rating Reports or other press releases, advisories, communications issued by BWR and circulation of the ratings without this disclaimer is prohibited.

BWR is bound by the Code of Conduct for Credit Rating Agencies issued by the Securities and Exchange Board of India and is governed by the applicable regulations issued by the Securities and Exchange Board of India as amended from time to time.