

## RATING RATIONALE

19 May 2020

### AAA Bath Fashions

**Brickwork Ratings downgrades/reaffirms the Ratings for the Bank Loan Facility of INR 5.50 crores of AAA Bath Fashions based on the best available information, as the issuer did not cooperate.**

### Particulars

Facilities	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (March, 2019)	Present
Fund Based	1.75	1.75	Long Term	BWR B <u>Stable</u> Assigned	BWR B- <u>Stable</u> Downgraded Issuer Not Cooperating*
	3.75	3.75	Short Term	BWR A4 Assigned Issuer Did Not Cooperate	BWR A4 Reaffirmed Issuer Not Cooperating*
<b>Total</b>	<b>5.50</b>	<b>5.50</b>	<b>INR Five Crores and Fifty Lakhs Only</b>		

# Please refer to BWR website [www.brickworkratings.com/](http://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

### RATING ACTION/OUTLOOK/NATURE OF NON-COOPERATION

**Downgraded/Reaffirmed the rating to BWR B- (Stable)/A4; (Issuer Not Cooperating) based on the best available information as the issuer did not cooperate.**

The rating was due for review in Mar, 2020. BWR took up with the issuer to provide the required information over emails and through telephone calls. Despite the best efforts of BWR to get the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the company, BWR is unable to assess the company'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, Brickwork Ratings has downgraded/reaffirmed the rating to BWR B- (Stable)/A4; Issuer Not Cooperating.

**LIMITATIONS OF THE RATING:** Information availability risk is the key factor in the assessment of the credit risk as generally, non-cooperation by the rated entities to provide the 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 information required for a review of the rating.

**KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE WITH BWR in Mar, 2019]**

Key Parameters	Units	FY 2018	FY 2017
Result Type		Audited	Audited
Operating Revenue	INR crs.	6.71	6.30
OPBDIT	INR crs.	1.20	1.07
PAT	INR crs.	0.21	0.33
Tangible Net Worth (TNW)	INR crs.	2.24	2.14
Total Debt/TNW	Times	4.22	4.06
Current Ratio	Times	1.34	1.79

**CONCERN'S PROFILE**

Established in 2009, AAA Bath Fashions is a Moradabad-based proprietorship concern engaged in manufacturing and exporting of bath accessories. The concern is owned in the name of Ms. Gauri Agarwal and the key management personnel of the concern are Mr. Udit Agarwal and Mr. Rupesh Agarwal. The manufacturing unit and the registered office of the concern is based out of Moradabad. The concern exports the bath accessories to mainly the United States of America and the product range which the firm produces and exports are tap, towel rail, wash basin, shower, etc.

**NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NA**

### RATING HISTORY [Including Withdrawal and Suspended]

Facilities	Current Rating (2020)			Rating History		
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	Mar, 2019	2018	2017
Fund Based	Long Term	1.75	<b>BWR B- Stable</b> Downgraded <b>Issuer Not Cooperating*</b>	<b>BWR B Stable</b> Assigned	-	-
	Short Term	3.75	<b>BWR A4</b> Reaffirmed <b>Issuer Not Cooperating*</b>	<b>BWR A4</b> Reaffirmed	-	-
<b>Total</b>		5.50	<b>INR Five Crores and Fifty Lakhs Only</b>			

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

### COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

#### Hyperlink/Reference to applicable Criteria

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

Analytical Contacts	Investor and Media Relations
<p><b>Akshay Rastogi</b> Rating Analyst Board: +91 11 2341 2232 Ext: 109 akshay.r@brickworkratings.com</p> <p><b>Satvinder Kumar Gakhar</b> Associate Director- Ratings Board: +91 11 2341 2232 Ext: 106 satvinder.g@brickworkratings.com</p>	<p>Liena Thakur Assistant Vice President - Corporate Communications +91 84339 94686 liena.t@brickworkratings.com</p>

### ANNEXURE I

#### AAA Bath Fashions

#### 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.	Union Bank of India	Term Loan	1.75*	-	1.75*
2.		PC/FDB	-	3.75	3.75
<b>TOTAL</b>					<b>5.50</b>

**Total Rupees Five Crores and Fifty Lakhs Only.**

\* O/s out of the sanction of INR 2.00 crores



**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 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** Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons