Rating Rationale

A K Soni Hosiery Mills Pvt. Ltd. **8 December 2020**

Brickwork Ratings reaffirms the rating for the Bank Loan facilities of ₹ 20.47 Crore of A K Soni Hosiery Mills Pvt. Ltd. based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Crs)		Tenure	Rating*	
	Previous	Present		Previous (October 2019)	Present
Fund based	20.47	20.47	Long Term	BWR D Issuer Not Cooperating	BWR D Reaffirmed Issuer Not Cooperating
Total	20.47	20.47	INR Twenty Crores and Forty Seven 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

RATING ACTION / NATURE OF NON-COOPERATION

The rating was due for a review in March 2018 but due to non submission of information was moved to Issuer Not Cooperating category.Further BWR took up with the issuer to provide required information over emails dated 5th,13th,14th ,19th Oct and 24th Nov 2020 .Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same.Hence on account of inadequate information,lack of management cooperation Brickworks Ratings has reaffirmed the rating to BWR D 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 withholdings of the information required for a review of the rating.

About the Company (Information as available in March 2017)

Ludhiana based A.K. Soni Hosiery Mills private Limited (ASH) was incorporated in 2004 by Mr. Anand Kumar Soni, Mr. Sanjeev Soni, Mr. Rajeev Soni and Mrs. Raj Rani, however Mr. Rajeev Soni, one of the Directors, resigned from the company in 2012. The company is engaged in manufacturing of woolen knitted fabric. Prior to ASH the promoters, directors were carrying out operations through a proprietorship firm "A.K. Soni Hosiery Mills' ' (Operational since 1971) engaged in similar business.ASH has two manufacturing units located at Gowshala Road, Ludhiana and Focal Point at Ludhiana-Chandigarh Road. The plants have a combined capacity of manufacturing 2675 tonnes per annum of knitted fabric.

KEY FINANCIAL INDICATORS (in (₹ Cr) [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY 2014	FY 2015
Result Type		**Audited**	**Audited**
Net Sales/Revenues	₹ Cr	57.50	62.31
EBITDA	₹ Cr	3.68	3.19
PAT	₹ Cr	0.26	0.21
Tangible Net Worth	₹ Cr	6.27	6.51
Total Debt /TNW	Times	2.61	2.64
Current Ratio	Times	1.35	1.33

NON-COOPERATION WITH PREVIOUS RATING AGENCY:NIL

Rating History for the last three years (including withdrawn/suspended ratings)

Sr No.	Facility	Current Rating			Rating History		
		Type	Amount (Crs)	Rating	Oct 2019	July 2018	March 2017
1	Fund Based	Long Term	20.47	BWR D Reaffirmed Issuer Not Cooperating	BWR D Reaffirmed Issuer Not Cooperating	BWR D Downgraded Issuer Not Cooperating	BWR D
	Total		20.47	INR Twenty Crores and Forty Seven Lakhs only			

Hyperlink/Reference to applicable Criteria

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

For any other criteria obtain hyperlinks from website

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ANNEXURE I

A K Soni Hosiery Mills Pvt. Ltd.
Details of Bank Facilities rated by BWR

Sr. No.	Name of the Bank	Type of Facilities	Long Term (Rs Crs)	Short Term (Rs Crs)	Total [₹ Cr]
1	Union Bank of India (Erstwhile Andhra Bank)	OCC	18.50	-	18.50
		Term Loan	1.97	-	1.97
Total					20.47

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