

RATING RATIONALE

03 Dec 2020

ARAVINDA ELECTRICALS

Brickwork Ratings has downgraded the Long Term Rating and Reaffirmed the Short Term Rating for the Bank Loan facilities of ₹ 25.00 Crore of Aravinda Electricals based on best available information, as the issuer did not cooperate.

Particulars :

| Facility | Amount (Rs. Cr) | | Tenure | Rating# | |
|----------------------|-----------------|--------------|------------------------------------|---|--|
| | Previous | Present | | Previous | Present |
| | | | | Nov, 2019 | |
| Fund Based | 8.00 | 8.00 | Long Term | BWR B+ Stable (Downgraded) Issuer Not Cooperating* | BWR B Stable (Downgraded) Issuer Not Cooperating* |
| NonFund Based | 17.00 | 17.00 | Short Term | BWR A4 (Reaffirmed) Issuer Not Cooperating* | BWR A4 (Reaffirmed) Issuer Not Cooperating* |
| Total | 25.00 | 25.00 | INR Twenty Five Crores Only | | |

#Please refer to BWR website 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

In view of the non-availability of information and lack of cooperation from **Aravinda Electricals**, Brickwork Ratings has downgraded the long term rating to ‘**BWR B**’ and reaffirmed the short term rating of ‘**BWR A4**’, along with continuation of the rating in the “**Issuer Not Cooperating**” category, based on best available information as the Issuer did not cooperate.

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



The rating was due for a review in March 2019. BWR took up with the firm to provide required information through telephone calls and letters. 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 firm’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, non-cooperation 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 possible deterioration in the credit quality of the rated entity arising from its non-transparency withholding of information required for a review of the rating.

FIRM PROFILE (Information as available in March, 2018)

M/s. Aravinda Electricals is a Partnership Firm registered with the Registrar of Firms in Karnataka. The Firm has 2 partners viz : Sri. B.M. Srinivas and Smt. P. Vijayalakshmi. Sri. B.M. Srinivas has been carrying on the Electrical Contract Business since 1985. The Firm’s business includes carrying on the Electrical Contract works of various Government Departments, local bodies and Bescom etc., The works include laying of cables, Electrical maintenance work, preventive maintenance work and shifting of utilities etc.

NON-COOPERATION WITH PREVIOUS RATING AGENCY : Nil

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

| Facility | Current Rating (2020) | | Rating History | | | |
|-----------------------|-----------------------|-----------------|--|---|--|------|
| | Type | Amount (Rs. Cr) | Rating | 2019 | 2018 | 2017 |
| Fund Based | Long Term | 8.00 | BWR B Stable, (Downgraded) Issuer Not Cooperating* | <u>15 Nov 2019</u> BWR B+ Stable, (Downgraded) Issuer Not Cooperating* | <u>02 Mar 2018</u> BWR BB- Stable, (Reaffirmed) | -- |
| Non Fund Based | Short Term | 17.00 | BWR A4 (Reaffirmed) Issuer Not Cooperating* | <u>15 Nov 2019</u> BWR A4 (Reaffirmed) Issuer Not Cooperating* | <u>02 Mar 2018</u> BWR A4 (Reaffirmed) | -- |
| Total | | 25.00 | INR Twenty Five Crores Only | | | |



*Issuer did not cooperate; based on best available information
Initial Rating of 'BWR BB/Stable' & 'BWR A4' were assigned to the Bank Loan Facilities of Rs. 6.00 Crores of **Aravinda Electricals** on 02 May 2013.

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

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 Aravinda Electricals Details of Bank Loan Facilities rated by BWR

| Sl.No. | Name of the Bank | Type of Facility | Long Term [Rs. Crs] | Short Term [Rs. Crs] | Total [Rs. Crs] |
|--------|------------------|------------------|---------------------|----------------------|-----------------|
| 1 | Canara Bank | Overdraft | 8.00 | - | 8.00 |
| | | Bank Guarantee | - | 17.00 | 17.00 |
| TOTAL | | | | | 25.00 |

Total Rupees Twenty Five Crores Only



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