

RATING RATIONALE

29 April 2021

ARKAVATHI VENTURES

Brickwork Ratings has reaffirmed the Long Term Rating for the Bank Loan facilities of ₹ 12.20 Crore of Arkavathi Ventures based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (March, 2020)	Present
Fund based	12.20	12.20	Long Term	BWR D Issuer Not Cooperating*	BWR D (Reaffirmed) Issuer Not Cooperating*
Total	12.20	12.20	INR Twelve Crores and Twenty 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

Details of Bank facilities is provided in Annexure-II

RATING ACTION/OUTLOOK/NATURE OF NON-COOPERATION

In view of the non-availability of information and lack of cooperation from **Arkavathi Ventures**, Brickwork Ratings has reaffirmed the long term rating at ‘**BWR D**’ and continued the rating in the “**Issuer Not Cooperating**” category, based on the 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 January 2019. BWR took up with the company to provide required information through telephone calls and emails. 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 company’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.

COMPANY PROFILE (Information as available in January, 2018)

Arkavathi Ventures was established in November, 2016 as a partnership concern, by Mr. M.N. Ganesh, Mr. Abhinash Ganesh and Mr. Sahen Ganesh. The firm has proposed to construct warehouse/rural godown for lease rental purpose. Arkavathi Ventures has started its construction of godown at Kodipalya Village, Bangalore North Taluk. The firm is expected to start its commercial operations in April 2018. The property is built on total land area of 4.04 acres comprising of one Godown having storage capacity of 53,590 MT for food crops, cash crops among others.

The total cost of project is Rs. 12.94 Cr which is proposed to be funded through bank term loan of Rs. 9.50 Cr and equity share capital of Rs.3.44 Cr.

NON-COOPERATION WITH PREVIOUS RATING AGENCY : Nil

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

Facility	Current Rating (2021)			Rating History		
	Type	Amount (Rs. Cr)	Rating	2020	2019	2018
Fund Based	Long Term	12.20	BWR D (Reaffirmed) Issuer Not Cooperating*	<u>17.03.2020</u> BWR D (Downgraded) Issuer Not Cooperating* FB:12.20 Cr	-	<u>10.01.2018\</u> BWR B+/Stable (Assigned) FB:12.20 Cr
Total		12.20	INR Twelve Crores and Twenty Lakhs Only			

*Issuer did not co-operate; based on best available information
FB - Fund Based

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

Arkavathi Ventures
Annexure I

Particulars	Units	2019(P)	2018(P)
Operating Revenue	₹ Cr	3.24	1.95
EBIDTA	₹ Cr	2.93	1.86
PAT	₹ Cr	0.51	0.00
Tangible Networth	₹ Cr	3.96	3.44
Total Debt : TNW	Times	2.76	1.85

Note: As per information available with BWR

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Annexure-II
Arkavathi Ventures

Details of Bank Loan Facilities rated by BWR

Type of Facility	Long Term [Rs. Crs]	Short Term [Rs. Crs]	Total [Rs. Crs]
Term Loan	12.20	-	12.20
TOTAL			12.20

Total Rupees Twelve Crores and Twenty Lakhs Only

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