

RATING RATIONALE

ASSOCIATED APPLIANCES LIMITED

Brickwork Ratings reaffirmed the long term ratings & short term ratings for the Bank Loan Facilities of ₹ 24.00 Crores of Associated Appliances Limited based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating*	
	Previous	Present		Previous (Sep, 2019)	Present
<u>Fund Based</u> Cash Credit	10.00	10.00	Long Term	BWR D Downgraded Issuer Not Cooperating	BWR D Reaffirmed Issuer Not Cooperating
<u>Non Fund Based</u> Letter of Credit Bank Guarantee	11.00 3.00	11.00 3.00	Short Term	BWR D Downgraded Issuer Not Cooperating	BWR D Reaffirmed Issuer Not Cooperating
Total	24.00	24.00	INR Twenty Four Crores 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 / OUTLOOK / NATURE OF NON-COOPERATION

BWR reaffirmed the long term rating and short term rating BWR D of Associated Appliances Limited based on the best available information as the Issuer did not Cooperate.

Initially BWR had rated Bank Loan facilities amounting of Rs. 24.00 Crs (Fund based & Non Fund Based) of Associated Appliances Limited on 25 April 2018. The rating assigned was a long term rating of BWR B+ Stable and short term rating of BWR A4. The rating was due for review in April 2019 and further the rating was downgraded to BWR D under Issuer Not Cooperating on 30.09.2019 . BWR took up with the issuer to provide required information over emails and sent an email to Banker. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. The company has not submitted No Default Statement also. In the absence of adequate information from the issuer/Company, BWR is unable to assess the issuer's/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, 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 ratings 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]

Key Parameters	Units	FY17	FY16
Result Type		Audited	Audited
Operating Revenues	Crs	100.17	109.84
EBIDTA	Crs	7.80	8.25
PAT	Crs	0.33	0.39
Tangible Net Worth	Crs	9.24	8.91
TD/TNW	Times	5.67	5.91
Current Ratio	Times	1.05	0.99

COMPANY PROFILE [AS AVAILABLE WITH BWR]

Associated Appliances Limited incorporated on 21.04.1994 is engaged in the manufacturing of LPG Gas stoves, home appliances and electrical appliances. The company established its unit at CLU Plot No 1, Sector 56 A, Faridabad. The company has a brand with the name of 'Planet'. The company is managed by Mr Akshay Sharma and Mrs Praveen Sharma both directors. The company has its unit at Sitarganj also.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY : Crisil D as on 16.01.2020, under Issuer Not Cooperating.

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

Instrument /Facilities	Current Rating			Rating History		
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	2019	2018	2017
Fund Based Cash Credit	Long Term	10.00	BWR D Reaffirmed Issuer Not Cooperating	BWR D Downgrade Issuer Not Cooperating	BWR B+ Stable Assigned	NA
Non Fund Based Letter of Credit Bank Guarantee	Short Term	11.00 3.00	BWR D Reaffirmed Issuer Not Cooperating	BWR D Downgrade Issuer Not Cooperating	BWR A4 Assigned	NA
Total		24.00	INR Twenty Four Crores Only			

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

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

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ANNEXURE I

Associated Appliances Limited Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term/Short Term [₹ Cr]	Total[₹ Cr]
1	Bank of Baroda	Fund Based Cash Credit Limit	Long Term 10.00	10.00
		Non Fund Based Letter of Credit	Short Term 11.00	14.00
		Bank Guarantee	3.00	
TOTAL INR Twenty Four Crores Only				24.00

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 partners. 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.