



## RATING RATIONALE

30 Sep 2019

### ASSOCIATED APPLIANCES LIMITED

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

#### Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (April, 2018)	Present
Fund based Cash Credit Limit	10.00	10.00	Long Term	BWR B+ (BWR Singla B Plus) Stable	BWR D (BWR Single D) Downgraded Issuer Not Cooperating*
Non Fund Based Letter of Credit Bank Guarantee	11.00 3.00	11.00 3.00	Short Term	BWR A4 (BWR Single A Four)	
<b>Total</b>	<b>24.00</b>	<b>24.00</b>	<b>INR Twenty Four Crores 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

The long term rating of the Bank Loan Facilities of the firm have been downgraded to BWR D (BWR Single D) under 'Issuer Not Cooperating' category.

BWR had rated Bank Loan facilities amounting Rs.24.00 Crs ( Fund based & Non Fund Based) of Associated Appliances limited on 25 April 2018. The rating assigned was BWR B+(Outlook:Stable) & Short Term Rating of BWR A4 (BWR Single A Four) The rating was due for review on April, 2019. As per telephonic feedback received from Banker in September,2019 the Account is classified as NPA .BWR took up with the issuer consistently to provide required information over emails and telephonic communication. 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 firm, 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, 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	FY 2017	FY 2016
Result Type		Audited	Audited
Net Sales/Revenues	₹ Cr	100.17	109.84
EBIDTA	₹ Cr	7.80	8.25
PAT	₹ Cr	0.33	0.39
Tangible Networth	₹ Cr	9.24	8.91
Total Debt : TNW	Times	5.67	5.91
Current Ratio	Times	1.05	0.99

**COMPANY PROFILE[As available with BWR in April,2018]**

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 : Not Available**

## RATING HISTORY

Instrument / Facilities	Current Rating			Rating History		
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	2018	2017	2016
<b>Fund based</b> Cash Credit Limit	<b>Long Term</b>	<b>10.00</b>	<b>BWR D [Downgraded] Issuer Not Cooperating</b>	BWR B+ (BWR Single B Plus) Stable	NA	NA
<b>Non Fund Based</b> Letter of Credit Bank Guarantee	<b>Short Term</b>	<b>11.00</b> <b>3.00</b>		BWR A4 (BWR Single A Four)		
<b>Total</b>		<b>24.00</b>	<b>INR Twenty Four Crores Only</b>			

## 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>Aman Sharma</b> Rating Analyst B :+91 172 5032 295 / 6 Ext :104 <a href="mailto:aman.s@brickworkratings.com">aman.s@brickworkratings.com</a></p> <p><b>V K Kukreja</b> Associate Director - Ratings B :+91 11 2341 2232 <a href="mailto:kukreja.vk@brickworkratings.com">kukreja.vk@brickworkratings.com</a></p>	<p>Satish Nair Director - Global Market Development &amp; Investor Relations M : +91 7738875550 B : +91 22 6745 6666 <a href="mailto:satish.n@brickworkratings.com">satish.n@brickworkratings.com</a></p>

## ANNEXURE I

### *Associated Appliances Limited*

#### 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.	<b>Bank of Baroda</b>	<u>Fund Based</u> Cash Credit  <u>Non Fund Based</u> Letter of Credit  Bank Guarantee	10.00	11.00 3.00	10.00 14.00
<b>TOTAL INR Twenty Four Crores Only</b>					<b>24.00</b>



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