

RATING RATIONALE

Ajanta Electronics

Brickwork Ratings downgrades the long term rating for the Bank Loan Facilities of ₹8.00 Crores of Ajanta Electronics based on best available information, as the issuer did not cooperate.

Particulars :

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (July, 2019)	Present
Fund based	8.00	8.00	Long Term	BWR B-Stable (Assigned)	BWR C+ (Downgrade) ISSUER NOT COOPERATING*
Total	8.00	8.00	INR Eight 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

Downgraded the long term rating to BWR C+ (Issuer not Cooperating) based on best available information as the Issuer did not cooperate.

The initial rating was done on 22nd July 2019 with the rating as BWR B-/Stable. Then the rating became due for review in July, 2020. BWR took up with the issuer/bank to provide required information over emails and we were not able to receive any details and documents required for a rating review. 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, non cooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress.

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

Key Parameters	Units	FY18	FY17
Result Type		Audited	Audited
Total Operating Income	Crores	22.19	21.79
PAT	Crores	0.27	0.27
Tangible Networth	Crores	1.31	0.78
Total Debt/TNW	Times	7.72	8.14
Current Ratio	Times	1.25	1.19

COMPANY PROFILE (as available with BWR)

Ajanta Electronics was established in 1995 by Mr. Amar Singh Chouhan as a sole proprietary concern. They deal in a full range of home appliances products of brands like Sony, Samsung, LG & Daikin. The showroom building is located in Jammu city comprising 4 floors. Each floor is dedicated to the individual brands. The total floor area of the showroom building is 7500 sq. ft. Ajanta Electronic employs a total of 5 permanent staff.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: Not Rated

RATING HISTORY FOR THE LAST THREE YEARS (INCLUDING WITHDRAWAL AND SUSPENDED)

Instrument / Facilities	Current Rating			Rating History		
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	2019	2018	2017
Fund Based	Long Term	8.00	BWR C+ (Downgrade) Issuer Not Cooperating	BWR B-Stable (Assigned)	--	--
Total	8.00		INR Eight Crores Only			

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

Analytical Contacts	Investor and Media Relations
<p>Arushi Jain Rating Analyst Board: +91 11 2341 2232 Ext: 111 arushi.j@brickworkrating.com</p> <p>V. K. Kukreja Associate Director – Ratings Board: +91 11 2341 2232 kukreja.vk@brickworkratings.com</p>	<p>Liena Thakur Assistant Vice President - Corporate Communications +91 84339 94686 liena.t@brickworkratings.com</p>

ANNEXURE I

Ajanta Electronics

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.	J & K Bank	Fund Based	8.00	--	8.00
TOTAL					8.00

Total Rupees Eight Crores only.



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.