

RATING RATIONALE

12 Nov 2019

Alkas Spinning Mills Pvt. Ltd.

Brickwork Ratings Revises the ratings for the Bank Loan Facilities of ₹6.35 Crores of Alkas Spinning Mills Pvt. Ltd. based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#		
	Previous	Present		Previous		Present
				July 2013	Mar 2017	
Fund based	5.95	5.95	Long Term	BWR B-(Stable)	Rating not Reviewed	BWR D (Downgraded) Issuer Not Cooperating*
Non Fund based	0.40	0.40	Short Term	BWR A4		
Total	6.35	6.35	INR Six Crores and Thirty Five Lakhs 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&II

RATING ACTION



Downgraded to BWR D (Issuer did not co-operate) based on best available information as the Issuer did not cooperate.

OUTLOOK / NATURE OF NON-COOPERATION

The rating was due for a review in July, 2014. BWR took up with the issuer to provide required information over emails and through telephone calls. Despite the best efforts of BWR to get at least the minimum required information for a review, the concern as not provided the same. In the absence of adequate information from the concern, BWR is unable to assess the concern's financial performance and its ability to service its debt and maintain a valid rating. BWR has received feedback from banker that the account has been classified as Non-Performing Asset (NPA). Hence, based on best available information and lender feedback, Brickwork Ratings has revised the ratings to BWR D and migrated the ratings to the ISSUER NOT COOPERATING category.

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	FY 2013	FY 2014
Result Type		Projected	Projected
Operating Revenue	Crore	2.07	11.04
EBITDA	Crore	0.33	1.52
PAT	Crore	0.02	0.12
Tangible Net Worth	Crore	1.99	2.12
Total Debt / Tangible Net Worth	Times	3.58	3.36
Current Ratio	Times	1.28	1.66

COMPANY PROFILE

Alkas spinning Mills P. Ltd. was incorporated in the year 2010 and the factory is located at Karur district in Tamilnadu. The company has started its operations in April 2013. The Directors of the company are Mr.A. Anand and Mr. A. Keerti.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NA

RATING HISTORY

Facilities	Current Rating			Rating History	
	Tenure	Amount (₹ Cr)	Rating	March 2017	July 2013
Fund Based	Long Term	5.95	BWR D		BWR B- (Stable)
Non- Fund Based	Short Term	0.40	Issuer not Cooperating* (Downgraded)	Rating Not Reviewed	BWR A4
Total		6.35	INR Six Crores and Thirty Five Lakhs Only		

COMPLEXITY LEVELS OF THE INSTRUMENTS

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

Hyperlink/Reference to applicable Criteria

- [Approach to Financial Ratios](#)
- [General Criteria](#)

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ANNEXURE I

Alkas Spinning Mills Pvt. Ltd.

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.	Corporation Bank	Cash Credit	4.75	-	4.75
2.		Term Loan	1.20	-	1.20
3.		Bank Guarantee	-	0.40	0.40
TOTAL					6.35

Total Rupees Six Crores and Thirty Five Lakhs only.



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