

Rating Rationale

26 Mar 2020

Araul Refrigeration Industries Private Limited

Brickwork Ratings downgrades the rating for the Bank Loan Facilities of Rs. 35.75 Crores of Araul Refrigeration Industries Private Limited ('ARIPL' or 'The Company') based on the best available information, as the issuer did not cooperate.

Facilities Availed	Previous Rated (In Crs)	Amount Rated (In Crs)	Tenure	Previous Rating (Jan 2019)\$	Rating Assigned#
Fund Based	35.75	35.75	Long Term	BWR BB (Stable)	BWR BB-/Stable Issuer not Cooperating^ Downgraded
Total	35.75*	35.75*	Rs. Thirty Five Crores and Seventy Five Lakhs Only		

* Including proposed limits of Rs.15Crs

\$Rating not reviewed advisory issued as on 23 Jan 2020.

Please refer to the BWR website www.brickworkratings.com/ for the definition of the ratings.

^ Issuer did not cooperate, based on best available information.

Details of Bank facilities are provided in Annexure-I.

RATING ACTION: NATURE OF NON-COOPERATION

The initial rating was done in Jan 2019 with the rating assigned BWR BB (Outlook: Stable). The rating was due for a review on Jan20. BWR followed up with the issuer to provide the required information over numerous emails dated 11 Mar 2020, and 13 Mar 2020. Despite the best efforts of BWR to get at least the minimum required business and financial information and documents for a review, the issuer has not provided the same. In the absence of adequate information from the issuer, BWR is unable to assess the issuer's financial performance and its ability to service its debt and maintain a valid rating. The issuer, Araul Refrigeration Industries Private Limited, did not cooperate for Rating for the bank loan facilities of Rs.35.75Crs.

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 the required information for a review of the assigned rating may also be accompanied by financial stress.

COMPANY PROFILE

Araul Refrigeration Industries Private Limited was incorporated on 29 May 1984. It is involved in production, processing of solvent (de-oiled cakes) and refined edible oil. The company is also in the field of cold storage. The directors of the company are Mrs. Krishna Narain Kapoor, Mr. Ashish Kapoor, Mr. Shashi Kapoor and Mrs. Sugandha Kapoor.

KEY FINANCIAL INDICATORS [AS AVAILABLE WITH BWR]

Key Financials					
Result Type	Units	31/Mar/2017		31/Mar/2018	
		Audited		Audited	
TOI	Rs.in Crs	119.79		103.32	
OPBDIT	Rs.in Crs	3.94		3.59	
PAT	Rs.in Crs	0.38		0.37	
Tangible Net Worth	Rs.in Crs	4.41		4.75	
TOL/TNW	in Times	6.07		6.27	
Current Ratio	in Times	1.10		1.07	

NON-COOPERATION WITH PREVIOUS RATING AGENCY: Nil

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

Facilities Available	Current Rating	Jan 2020	Rating History for the past 3 years (Amount in (Rs. Crores))													
			Jan 2019	2018	2017											
Fund Based	<table border="1"> <tr> <td>F</td> <td>35.75</td> <td rowspan="2">BWR BB-Stable (Issuer Did Not Cooperate)</td> </tr> <tr> <td>B</td> <td>*</td> </tr> </table>	F	35.75	BWR BB-Stable (Issuer Did Not Cooperate)	B	*	<table border="1"> <tr> <td>FB</td> <td>35.75*</td> <td>RNR</td> </tr> </table>	FB	35.75*	RNR	<table border="1"> <tr> <td>FB</td> <td>35.75*</td> <td>BWR BB Stable</td> </tr> </table>	FB	35.75*	BWR BB Stable	NA	NA
F	35.75	BWR BB-Stable (Issuer Did Not Cooperate)														
B	*															
FB	35.75*	RNR														
FB	35.75*	BWR BB Stable														

* Including proposed limits of Rs.15Crs

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf
 Hyperlink/Reference to applicable Criteria

1. [General Criteria](#)

2. [Approach to Financial Ratios](#)

3. [Manufacturing Unit](#)

4. [Short Term Debt](#)

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ANNEXURE I

Araul Refrigeration Industries Private 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	Bank of India	Cash Credit	30.75	-	30.75
2		Term Loan	5.00	-	5.00
TOTAL					35.75*

* Including proposed limits of Rs.15Cr

Total:Rs. Thirty Five Crores and Seventy Five Lakhs Only

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