

Rating Rationale

Aravinda Electricals

15 Nov 2019

Brickwork Ratings Downgrades the Long Term Rating and Reaffirms the Short Term Rating for the Bank Loan facilities of ₹. 25.00 Crore of Aravinda Electricals based on best available information, as the issuer did not cooperate. Accordingly the rating for the said instrument is as under

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating*^	
	Previous	Present		Previous (March, 2018)	Present
Fund based Overdraft	8.00	8.00	Long Term	BWR BB-/Stable	Issuer not Cooperating; BWR B+/Stable (Downgrade)
Non Fund Based Bank Guarantee	17.00	17.00	Short Term	BWR A4	Issuer did not Cooperating; BWR A4 (Reaffirmed)
Total	25.00	25.00	₹ Twenty Five Crores Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings; ^The rating has been moved to Rating Not Reviewed on 03 Jun 2019; Issuer did not cooperate; based on best available information

Ratings: Long term ratings - Downgrade; Short Term Ratings: Reaffirmed

In view of the non availability of the information and lack of management cooperation, Brickwork Ratings has downgraded the long term ratings and reaffirmed the short term rating at BWR B+/A4 (Issuer Not Cooperating) for the bank loan facilities amounting to Rs. 25.00 Crs of M/s Aravinda Electricals.

The lenders/investors may note to exercise due caution while using the above ratings which mentions "Issuer Not Cooperating" since the ratings lacks any projections or forward looking component as it is arrived based on the best available information on the company/firm without any management/banker's interaction.

Rating Action/Nature of Non Cooperation:

The rating was due for a review in March 2019. BWR took up with the trust 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 entity has not provided the same. In the absence of adequate information from the Trust, BWR is unable to assess the Firms 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. Users of the credit rating 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 (Rs. Cr) [As available with BWR])

Particulars	Units	2016	2017
Net Sales/Revenues	₹ Cr	14.13	27.11
EBIDTA	₹ Cr	1.88	2.66
PAT	₹ Cr	1.21	2.12
Tangible Net worth	₹ Cr	2.12	2.33
Total Debt : TNW	Times	2.69	0.99
Current Ratio	Times	1.22	1.88

Firm Profile

M/s. Aravinda Electricals is a Partnership Firm registered with the Registrar of Firms in Karnataka. The Firm has 2 partners viz : Sri. B.M. Srinivas and Smt. P. Vijayalakshmi. Sri. B.M. Srinivas has been carrying on the Electrical Contract Business since 1985. The Firm's business includes carrying on the Electrical Contract works of various Government Departments, local bodies and Bescom etc., The works include laying of cables, Electrical maintenance work, preventive maintenance work and shifting of utilities etc.

Status of non-cooperation with previous CRA - None

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

S.No	Facility	Current Rating			Rating History*		
		Type	Amount (₹ Cr)	Rating^	03 Jun 2019	02 Mar 2018	30 Dec 2016
1.	Fund Based	Long Term	8.00	Issuer not Cooperating; BWR B+/Stable (Downgrade)	Rating Not Reviewed	BWR BB-/Stable	Rating Not Reviewed
2.	Non Fund Based	Short Term	17.00	Issuer not Cooperating; BWR A4 (Reaffirmed)		BWR A4	
Total			25.00	₹ Twenty Five Crores Only			

^Issuer did not cooperate; based on best available information; *BWR BB/A4 (Stable) Rating was assigned to the Firm on 02 May 2013

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

Aravinda Electricals

Details of Bank Loan Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facility	Long Term [Rs. Crs]	Short Term [Rs. Crs]	Total [Rs. Crs]
1	Canara Bank	Overdraft	8.00	-	8.00
2		Bank Guarantee	-	17.00	17.00
TOTAL - Rupees Twenty Five Crores Only					25.00

For print and digital media

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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 reason.