

## Rating Rationale

Arham Colloids

28Dec2018

Brickwork Ratings has reviewed the Rating for the Bank Loan facilities of ₹ 12.53 Crore of Arham Colloids (AC) 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		Initial (Apr 2016)	Previous (Sep 2017)	Present
<b>Fund based Cash Credit Term Loan</b>	9.50 2.78	9.50 2.78	<b>Long Term</b>	<b>BWR B- (Pronounced as BWR Single B Minus) Assigned</b>	<b>Rating Not reviewed</b>	<b>Issuer did not Cooperate; BWR C- (Pronounced as BWR Single C Minus ) Downgraded</b>
<b>Non Fund Based Bank Guarantee</b>	0.25	0.25	<b>Short Term</b>	<b>BWR A4 (Pronounced as BWR A four) Assigned</b>		<b>BWR A4 (Pronounced as BWR A four) Reaffirmed</b>
<b>Total</b>	<b>12.53</b>	<b>12.53</b>	<b>₹ Twelve Crores and Fifty Three Lakhs Only</b>			

\*Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings  
present rating : *Issuer did not co-operate; based on best available information*

### Ratings: Downgraded

#### Nature of Non-cooperation:

The rating was due for a review in April 2017. BWR took up with the issuer to provide required information over emails dated 17-12-2018, 18-12-2018, 19-12-2018 and 20-12-2018 and through telephone calls. Despite the best efforts of BWR to get at least the minimum required information for a review, the Company has not provided the same. In the absence of adequate information from the issuer/Company, BWR is unable to assess the issuer's/Company'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.

**About the Company (Information as available in April, 2016)**

Arham Colloids (AC) is a partnership firm based in Hisar and is engaged in the manufacture of guar gum powder from guar splits. Incorporated in January 2012, Arham Colloids commenced commercial production of technical (industrial) grade guar gum powder in February 2013.

**Rating History for the last three years (including withdrawn/suspended ratings)**

Facility	Current Rating (2018)			Rating History		
	Type	Amount (₹ Cr)	Rating^	13. 9.2017	13. 4.2016	2015
Fund Based Cash Credit Term Loan	Long Term	9.50 2.78	Issuer did not Cooperate BWR C- (Pronounced as BWR Single C Minus ) Downgraded	Rating Not Reviewed	BWR B- Outlook: Stable (Pronounced as BWR Single B Minus) Assigned	Not Rated
Non Fund Based Bank Guarantee	Short Term	0.25	Issuer did not Cooperate BWR A4 (Pronounced as BWR A four) Reaffirmed		BWR A4 (Pronounced as BWR A four) Assigned	
<b>Total</b>		<b>12.53</b>	<b>₹ Twelve Crores and Fifty Three Lakhs Only</b>			

^Issuer did not co-operate; based on best available information

Status of non-cooperation with previous CR)-NIL

Any other information : Nil

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)

For any other criteria obtain [hyperlinks](#) from website

**Arham Colloids**  
**Annexure I**

Particulars	Units	FY14	FY15
		Audited	Audited
Net Sales/Revenues	₹ Cr	82.31	45.71
EBIDTA	₹ Cr	3.44	-0.41
PAT	₹ Cr	0.79	-3.64
Tangible Networth	₹ Cr	7.51	4.29
Total Debt : Tangible Networth	Times	2.01	3.36
Current Ratio	Times	1.21	0.93

*Note: As per information available with BWR*

Analytical Contacts	Media
<i>Venkatesh</i> <i>CGM-Ratings</i>	<a href="mailto:media@brickworkratings.com">media@brickworkratings.com</a>
<a href="mailto:analyst@brickworkratings.com">analyst@brickworkratings.com</a>	Relationship Contact
	<a href="mailto:bd@brickworkratings.com">bd@brickworkratings.com</a>
<b>Phone: 1-860-425-2742</b>	



#### **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.

#### **Note on complexity levels of the rated instrument:**

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

#### **About Brickwork Ratings**

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner.

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.