

RATING RATIONALE

3 Aug 2020

Arham Petrochem Pvt. Ltd.

Brickwork Ratings Revises the ratings for the Bank Loan Facilities of Rs. 50.00 Crs. of Arham Petrochem Pvt. Ltd. (APPL or the 'Company) based on best available information, as the issuer did not cooperate.

Facility**	Amount (₹ Crores)		Tenure	Rating #	
	Previous	Present		Previous (Dec, 2016)	Present
Fund Based	18.51	18.51	Long Term	BWR BB+ Outlook:Stable RNR	BWR BB Issuer Not Cooperating* Outlook:Stable Downgraded
Non Fund Based	15.42	15.42	Short Term	BWR A4+ RNR	BWR A4 Issuer Not Cooperating* Downgraded
Total	33.93	33.93	INR Thirty Three Crores Ninety Three 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 / OUTLOOK / NATURE OF NON-COOPERATION

The rating was due for annual surveillance in June 2020. BWR took up with the issuer to provide required information over telephonic conversations and emails. Despite the best efforts of BWR to get at least the minimum required information for a review, Arham Petrochemical Private Limited has not provided required information for carrying out a review of the rating. Further the Company has not been sharing No Default statement (NDS) with BWR as per extant regulatory requirements. In the absence of adequate information from the Company, BWR is unable to assess its 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.

KEY FINANCIAL INDICATORS [AS AVAILABLE WITH BWR in June 2015]

Key Parameters	Units	2014	2013
Result Type		Audited	Audited
Revenues	₹ Cr	42.99	41.02
EBITDA	₹ Cr	2.39	1.46
PAT	₹ Cr	0.76	0.40
Total Debt : TNW	Times	1.33	1.51
Current Ratio	Times	2.39	2.53

COMPANY PROFILE

Incorporated in 1997, Arham Petrochem Private Limited is engaged in manufacturing of petrochemical and petroleum oils through distillation process. The company is promoted by Mr. Ashish Agarwal and Mr. Nitin Agarwal. The company's manufacturing plant is located near Kalol, Gujarat.

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY: NA

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

S.No	Instrument /Facility	Current Rating			Rating History		
		Type (Long Term/ Short Term)	Amount (₹ Crs)	Rating	2018	2017 Dec 2016	2016 June 2015
1	Fund Based	Long Term	18.51	BWR BB Issuer Not Cooperating* Outlook:Stable Downgraded	BWR BB+ Stable (Rating Not Reviewed)	BWR BB+ Stable (Rating Not Reviewed)	BWR BB+ (Stable)
2	Non Fund Based	Short Term	15.42	BWR A4 Issuer Not Cooperating* Downgraded	BWR A4+ (Rating Not Reviewed)	BWR A4+ (Rating Not Reviewed)	BWR A4+ (Stable)
Total			33.93	INR Thirty Three Crores Ninety Three Lakhs only			

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

COMPLEXITY LEVELS OF THE INSTRUMENTS

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

Hyperlink/Reference to applicable Criteria

[General Criteria](#)

[Manufacturing companies](#)

[What constitutes a non cooperation](#)

Analytical Contacts	Investor and Media Relations
<p>Priya D Senior Rating Analyst B :+91 79 66174046 / 47 priya.d@brickworkratings.com</p> <p>Dileep Singh Director - Ratings B :+91 79 66174046 / 47 Dileep.S@brickworkratings.com</p>	<p>Liena Thakur Assistant Vice President - Corporate Communications +91 84339 94686 liena.t@brickworkratings.com</p>

ANNEXURE I

Arham Petrochem Pvt. Ltd.

Details of Bank Loan Facilities rated by BWR

Name of the Bank	Type of Facilities	Long Term [Rs. Crs]	Short Term [Rs. Crs]	Total [Rs. Crs]
SBI	Cash Credit	14.00	0.00	14.00
	FBD	0.00	1.00	1.00
	Term Loan	3.51	0.00	3.51
	CEL	0.00	0.42	0.42
	LC	0.00	15.00	15.00
TOTAL INR Thirty Three Crores Ninety Three Lakhs only				33.93



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 Private limited (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empanelled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empanelled 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 Private Limited (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