



Rating Rationale

Aricon Papers Pvt. Ltd.

18 May 2020

Brickwork Ratings downgrades the rating of Rs. 14.06 Crores of Aricon Papers Pvt. Ltd. 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** (Mar 2019)	Present
Fund based					
Cash Credit	7.00	7.00	Long Term	BWR BB- Stable	BWR B+ Stable [Downgraded] Issuer Not Cooperating*
Term Loan	7.06	7.06			
Total	14.06	14.06	INR Fourteen Crores and Six Lakhs Only		

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

**The rating was migrated to rating not reviewed category in Mar 2020

Issuer did not cooperate; based on best available information

Details of Bank facilities provided in Annexure-I

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION.

The rating of the Bank Loan Facilities of the company have been downgraded the long term rating to BWR B+/Stable under 'Issuer Not Cooperating' category from BWR BB-/Stable because the client has not submitted the information/papers required for the review of rating despite our regular follow up.

The entity being established with the objective of manufacturing and trading of craft papers is expected to increase in India, thus the rating outlook has been reaffirmed as stable.

BWR had initially rated Bank Loan facilities amounting to Rs.14.06 Crs in Mar, 2019 assigning rating of BWR BB-/ Stable. The rating was moved to RNR in Mar 2020. BWR took up with the issuer consistently to provide required information over emails and telephonically dated 12.03.2020, 23.04.2020, 30.04.2020 and 04.05.2020. Client has informed by mail dated 5.05.2020 that they do not require ratings. Further, BWR also took follow up with the banker for conduct of account over various emails dated 12.03.2020, 23.04.2020, 30.04.2020 and 04.05.2020 for the conduct of accounts . The banker has replied by mail dated 23.04.2020 that as



per new guidelines the client does not require the rating. 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 firm, BWR is unable to assess the firm'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. Users of the credit ratings 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 ₹ Cr) [AS AVAILABLE WITH BWR]

Particulars	Units	2018	2017
Result Type		Audited	Audited
Net Sales/Revenues	₹ Cr	55.51	25.87
EBITDA	₹ Cr	3.23	1.38
PAT	₹ Cr	0.06	0.00
TNW	₹ Cr	5.06	5.00
Total Debt : TNW	Times	3.80	3.20
Current Ratio	Times	1.24	1.24

COMPANY PROFILE

M/S Aricon Papers Pvt. Ltd. (APPL) was incorporated in November 2015 at Morbi, Gujarat. Mr. Arjun Sitapara is the Managing Director of the company. Mr. Mukesh Likhiya , Haresh Bhalodiya, Rajeshkumar Makasana, Sudhir Bhalodiya , Ghanshyam Amrutiya and Pankaj Bavarda are other directors of the company. The company has started commercial operation from October 2017. APPL is engaged in manufacturing and trading of Craft Papers with an installed capacity of 3500 MTS per month.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NA

RATING HISTORY FOR LAST 3 YEARS (INCLUDING WITHDRAWN/SUSPENDED)

Facilities	Current Rating 2020			Rating History								
	Current Rating			18 Mar 2019	2018	2017						
Bank Loan	<table border="1"> <tr> <td>FB</td> <td>14.06</td> <td>BWR B+ Stable (Downgraded) Issuer Not Cooperating*</td> </tr> </table>			FB	14.06	BWR B+ Stable (Downgraded) Issuer Not Cooperating*	<table border="1"> <tr> <td>FB</td> <td>14.06</td> <td>BWR BB- Stable Assigned)</td> </tr> </table>	FB	14.06	BWR BB- Stable Assigned)	NA	NA
	FB	14.06	BWR B+ Stable (Downgraded) Issuer Not Cooperating*									
FB	14.06	BWR BB- Stable Assigned)										

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

Aricon Papers 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.	SIDBI, Morbi	<u>Fund based</u> Cash Credit Term Loan	7.00 7.06	-	14.06
TOTAL					14.06

INR Fourteen Crores and Six Lakhs Only

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