

**Arihant Retails Private Limited**

**Brickwork Ratings downgrades the long term rating and downgrades short term rating of Rs. 12.50 Crores of Arihant Retails Private Limited 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* (June 2019)	Present
Fund based Cash Credit	9.50	9.50	Short Term	BWR BBB-Stable	BWR BB+ Stable [Downgraded] Issuer Not Cooperating*
SOD (Secured OD) WCDL (Sublimit of OCC) WCDL (Sublimit of SOD)	3.00 (8.00) (2.00)	3.00 (8.00) (2.00)	Short Term	BWR A3	BWR A4+ [Downgraded] Issuer Not Cooperating*
<b>Total</b>	<b>12.50</b>	<b>12.50</b>	<b>₹ Twelve Crores and Fifty Lakhs Only</b>		

\*Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

\*The rating was migrated to rating not reviewed category in June 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 Arihant Retails Pvt. Ltd. have been downgraded the long term rating and short term rating to BWR BB+/Stable , BWR A4+ under ‘Issuer Not



Cooperating' category from BWR BBB-/Stable, BWR A3. The outlook 'Stable' on account of extensive experience of promoters in the industry.

The company had also not submitted the NDS from the last few months & the latest 6 months bank statement. BWR has been consistently following up with the entity management which has remained non co-operative to submit the information/papers required for the review of rating despite our regular follow up from the last 6 months.

BWR had initially rated Bank Loan facilities amounting to Rs.10.50 Crs in July, 2015 assigning rating of BWR BBB-/Stable, BWR A3. The rating was moved to RNR in Dec 2016. Further rating was reaffirmed to BWR BBB-/Stable, BWR A3 in Feb 2017. Subsequently, rating was reaffirmed to BWR BBB-/Stable, BWR A3 in Mar 2018. Furthermore, rating was reaffirmed to BWR BBB-/Stable, BWR A3 in Jun 2019. The rating was moved to RNR in Jun 2020. Further, BWR has issued rating advisory for the delay in rating review in June 2020. BWR took up with the issuer consistently to provide required information over emails and telephonically dated 4.05.2020, 11.5.2020, 26.5.2020, 15.6.2020, 22.6.2020 and 24.6.2020, 29.6.2020, 3.8.2020, 11.8.2020, 3.9.2020, 7.9.2020, 14.9.2020, 17.9.2020, 7.10.2020, 19.10.2020 and 29.10.2020. The mandate is logged on 30.6.2020. Over the call, Client was assured to provide the documents to conduct the Surveillance. However, since long follow up, we have not received any document/papers for the same except FY19 Audited. Further, BWR also took follow up with the banker for conduct of account over various emails dated 3.8.2020, 11.8.2020, 3.9.2020, 14.9.2020, 7.10.2020, 19.10.2020 and 29.10.2020 for the conduct of accounts but the banker has not responded to provide the feedback. 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 entity'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]**

<b>Particulars</b>	<b>Units</b>	<b>2019</b>	<b>2018</b>
<b>Result Type</b>		<b>Audited</b>	<b>Audited</b>
Net Sales/Revenues	₹ Cr	131.51	132.00
EBITDA	₹ Cr	14.21	15.01
PAT	₹ Cr	0.53	0.46
TNW	₹ Cr	25.13	24.56
Total Debt : TNW	Times	4.67	4.42
Current Ratio	Times	1.33	1.28

**COMPANY PROFILE**

M/S Arihant Retails Pvt. Ltd. was incorporated in 1996 by Mr. Hastimal Surana at Chennai which was initially established by his father Late Shri Chainmal Surana in 1965. In 2003, Mr. Vishal Surana had subsequently taken over the business from his father Mr. Hastimal Surana after completing his Post graduation degree. The company is engaged in trading/retailing of garments, textiles, readymade, furnishing and upholstery. It has 9 showrooms in total in and around Chennai under the brands Arihant, Hotmale and MAA.

**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			19 Jun 2019			31 Mar 2018			13 Feb 2017		
Bank Loan	FB	9.5	BWR	FB	9.5	BWR	FB	9.5	BWR	F	8.7	BWR
	-L	0	BB+	-L	0	BBB-	-L	0	BBB-	B-	5	BBB-
	T		Stable	T		Stable	T		Stable	T		Stable
			(Downgraded)			(Reaffirmed)			(Reaffirmed)			(Reaffirmed)
			Issuer Not Cooperating*									
	FB	3.0	BWR	FB	3.0	BWR	FB	3.0	BWR	F	(7.5	BWR
	-S	0	A4+	-S	0	A3	-S	0	A3	B-	0)	A3
	T		(Downgraded)	T		(Reaffirmed)	T		(Reaffirmed)	T		(Reaffirmed)
			Issuer Not Cooperating*									

\*Issuer did not cooperate; based on best available information

Note: The company was initially rated 20th July 2015 as BWR BBB-/Stable, BWR A3.

**COMPLEXITY LEVELS OF THE INSTRUMENTS**

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://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- Arihant Retails 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.	<b>Karur Vysya Bank</b>	<b><u>Fund based</u></b> Cash Credit	9.50	-	<b>9.50</b>
2.	<b>Karur Vysya Bank</b>	<b><u>Fund based</u></b> SOD (Secured OD) WCDL (Sublimit of OCC) WCDL (Sublimit of SOD)	-	3.00 (8.00) (2.00)	<b>3.00</b>
<b>TOTAL</b>					<b>12.50</b>

**INR Twelve Crores and Fifty Lakhs Only**



**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.

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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 reasons.