



## Rating Rationale

### Arkavathi Ventures

17 Mar 2020

**Brickwork Ratings has reviewed the Rating for the Bank Loan facilities of ₹ 12.20 Crore of Arkavathi Ventures based on best available information, as the issuer did not cooperate. Accordingly the rating for the said instrument is as under**

### Particulars

Facility	Amount (₹ Crores)		Tenure	Rating *	
	Previous	Present		Previous (Jan, 2018)	Present
<b>Fund Based</b>	12.20	12.20	Long Term	<b>BWR B+/ Stable</b>	<b>Issuer Not Cooperating; BWR D Downgraded</b>
<b>Total</b>	<b>12.20</b>	<b>12.20</b>	<b>INR Twelve Crores and Twenty Lakhs Only</b>		

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

Note : The rating moved to Rating not reviewed category on 11.04.2019.

Issuer did not cooperate; based on best available information

Details of Bank facilities are provided in Annexure - 1.

### RATING ACTION

Brickwork Ratings has downgraded the ratings to BWR D (Issuer did not Cooperate) for the bank loan facilities of ₹ 12.20 Crores of **Arkavathi Ventures**.

### OUTLOOK / NATURE OF NON-COOPERATION

The rating was due for a review in Jan, 2019. BWR took up with the issuer to provide required information over emails and through telephone calls. The company was initially assigned a rating of BWR B+ “Stable” in Jan,2018 and moved to Rating Not Reviewed in Apr, 2019. 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 company, BWR is unable to assess the company’s financial performance and its ability to service its debt and maintain a valid rating. The industry that the company operates in has strong demand, influencing the company's Stable Outlook.

### 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 Month, Year)**

Arkavathi Ventures was established in November, 2016 as a partnership concern, by Mr. M. N. Ganesh, Mr. Abhinash Ganesh and Mr. Sahen Ganesh. The firm has proposed to construct a warehouse/rural godown for lease rental purpose. Arkavathi Ventures has started its construction of godown at Kodipalya Village, Bangalore North Taluk. The firm is expected to start its commercial operations in April 2018. The property is built on a total land area of 4.04 acres comprising one Godown having storage capacity of 53,590 MT for food crops, cash crops among others.

**Rating History for the last three years (including withdrawn/suspended ratings)**

Facility	Current Rating (2020)			Rating History		
	Type	Amount (₹ Cr)	Rating^	11.04.2019	10.01.2018	2017
<b>Fund Based</b>	Long Term	12.20	<b>Issuer Not Cooperating; BWR D Downgraded</b>	<b>Rating Not Reviewed</b>	<b>BWR B+/ Stable</b>	<b>Not Rated</b>
<b>Total</b>		<b>12.20</b>	<b>INR Twelve Crores and Twenty Lakhs Only</b>			

^Issuer did not cooperate; based on best available information

Status of non-cooperation with previous CRA (if applicable)- 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

**Arkavathi Ventures**

**Annexure I**

Particulars	Units	2019 (P)	2018 (P)
Operating Revenue	₹ Cr	3.24	1.95
EBIDTA	₹ Cr	2.93	1.86
PAT	₹ Cr	0.51	0.00
Tangible Networth	₹ Cr	3.96	3.44
Total Debt : TNW	Times	2.76	1.85

**Note:** As per information available with BWR

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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



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**Details of Bank Facilities rated by BWR**

<b>Sl.No.</b>	<b>Name of the Bank</b>	<b>Type of Facilities</b>	<b>Long Term [₹ Cr]</b>	<b>Short Term [₹ Cr]</b>	<b>Total [₹ Cr]</b>
2	Canara Bank, Rajajinagar	Term Loan	12.20	-	12.20
<b>TOTAL</b>					<b>12.20</b>

**Rupees Twelve Crores and Twenty Lakhs Only.**