

Rating Rationale

Arora Industries

18 July 2018

Brickwork Ratings has reviewed the Rating for the bank loan facilities of Rs 40.14 Crs of Arora Industries based on best available information, as the issuer did not cooperate. Accordingly the rating for the said instrument is downgraded as BWR B+/A4 (Outlook: Stable).

Particulars

Issue	Amount Rated (Rs. Cr)		Tenure	Rating History (August 2013)	Rating Assigned^
	Previous	Present			
Fund Based					
WCDL	30.00	30.00	Long Term	BWR BB (Pronounced as BWR Double B) Outlook:Stable	BWR B+ (Pronounced as BWR Single B Plus Outlook : Stable (Issuer Non Cooperation) Downgrade
Term Loan	6.69	6.69			
Non Fund Based					
ILC	3.00	3.00	Short Term	BWR A4 (Pronounced as BWR Single A Four)	BWR A4 (Pronounced as BWR Single A Four (Issuer Non Cooperation) reaffirmed
EPG	0.45	0.45			
Total	40.14	40.14	INR.Forty Crores and Fourteen Lakhs Only		

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

Issuer did not Cooperate; Based on best available information

Rating Downgraded

Nature of Non-cooperation: The rating was due for a review in August 2014. BWR took up with the issuer to provide required information over emails dated June 17, 2018, June 26, 2018, July 02, 2018 and July 09, 2018 and through numerous telephone calls. 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 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, non cooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress.

Rating Outlook: Stable

BWR believes the **Arora Industries** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company

Arora Industries is a partnership firm and was established in 2007. The firm manufactures polyester fabrics, mink blankets and garments.

Arora Industries is based in Ludhiana (Punjab) & are promoted by Mr. Mohinder Singh Arora. Mr. Arora & his son, Mr. Ravinder Pal Singh, together manage supervise the group's daily operations.

Rating History for the last four years

Facilities	Rating Assigned in 2018			Rating History			
	Amount to be Rated (In Crs)	Tenure	Rating Assigned	2017	2016	2015	2014
Fund Based	36.69	Long Term	Issuer did not Cooperate; Based on best available information BWR B+ (Pronounced as BWR Single B Plus) (Downgrade)	Rating not Reviewed	NA	NA	BWR BB Outlook: Stable
Non Fund Based	3.45	Short Term	Issuer did not Cooperate; Based on best available information BWR A4 (Pronounced as BWR Single A Four) (Reaffirm)	Rating not Reviewed	NA	NA	BWR A4
Total	40.14	INR.Forty Crores and Fourteen Lakhs Only					



Issuer did not Cooperate; based on best available information

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Short Term Debt](#)

For any other criteria obtain hyperlinks from website

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For print and digital media

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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 Investors queries can be sent to 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. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 11,99,663 Cr. In addition, BWR has rated over 6819 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹48,803 Cr have been rated.



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.