



Rating Rationale

Arora Knitfab Pvt Ltd

23 March 2018

Brickwork Ratings has reviewed the Rating for the Bank Loan facilities of ₹ 28.50 Crore of Arora Knitfab 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 (Dec, 2016)	Present
CC	28.50	28.50	Long Term	BWR BB- (Pronounced BWR Double B Minus) Outlook: Stable (Not Reviewed)	Issuer did not Co-operate; BWR D (Downgraded)
Inland LC	(2.00)	(2.00)	Short Term	BWR A4 (Not Reviewed)	
Total	28.50	28.50	₹ Twenty Eight Crores and Fifty Lakhs Only		

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

Issuer did not co-operate; based on best available information

Ratings: Downgraded

Nature of Non-co-operation:

The rating was due for a review in Dec 2017 BWR took up with the issuer to provide required information over emails dated 4/Dec/2017, 18/Dec/2017, 11/Jan/2018 and 22/Jan/2018. 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, 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 Sept, 2013)

Arora Knit Fab Pvt LTd (AKFPL) was set up as knitting unit in the year 1982 known as Arora Knitwear's under proprietorship of Mr. Mohinder Singh Arora. The company was converted into a private limited company in November 2000. Mr. M.S. Arora and his brother Mr. R.S. Arora are the promoters of the company, and they, along with their family members hold most share-capital

The company is currently engaged in the manufacturing of Knitted Fabrics, Garments and Blankets which are sold domestically. AKFPL has a group concern Arora Industries (AI) which is a partnership firm and was established in 2007. the firm is having similar operations as AKFPL but the product line is different as AKFPL is primarily into manufacturing of Knitted Fleece whereas AI is into the manufacturing of Mink blankets.

Rating History for the last three years

S.No	Instrument/Facility	Current Rating (2018)			Rating History		
		Type (Long Term/ Short Term)	Amount (₹ Cr)	Rating [^]	2017	28, Dec, 2016	2015
	Fund Based	Long Term	28.50	BWR D (Downgraded)	NA	Rating Not Reviewed	NA
	Non Fund Based	Short Term	(2.00)		NA		NA
	Total		28.50	₹ Twenty Eight Crores and Fifty Lakhs Only			

[^]Issuer did not co-operate; based on best available information

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)

For any other criteria obtain [hyperlinks](#) from website

Analytical Contacts	Media
<i>Venkatesh</i> <i>CGM-Ratings</i>	media@brickworkratings.com
analyst@brickworkratings.com	Relationship Contact
	bd@brickworkratings.com
Phone: 1-860-425-2742	



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.

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, has also been 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 Nationalized 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, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 10,00,000 Cr. In addition, BWR has rated over 6300 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹24,440 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.