



Rating Rationale

Arun Shankar Textiles

29 March 2018

Brickwork Ratings has reviewed the Rating for the Bank Loan facilities of ₹ 10.61 Crore of Arun Shankar Textiles 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, 2015)	Previous (Mar, 2017)	Present
Fund based	10.61	10.61	Long Term	BWR BB- (Pronounced as BWR double B minus) Outlook: Stable	Issuer did not Co-operate; BWR B+ (Pronounced as BWR Single B plus) (Outlook:Stable) (Downgraded)	Issuer did not Co-operate; BWR B (Pronounced as BWR Single B) (Outlook:Stable) (Downgraded)
Total	10.61	10.61	INR Ten Crores and Sixty One 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 March 2018 BWR took up with the issuer to provide required information over emails dated 21.3.2018, 23.3.2018, 24.3.2018 and 26.3.2018 and through 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/Firm, BWR is unable to assess the issuer's/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.



About the Firm (Information as available in Dec, 2015)

M/s Arun Shankar Textile is a partnership firm established on November 01, 1989 by Mr. K Govindasamy, Mrs. G Rajeshwari and Mr. G Arun Kumar. Firm is engaged in manufacturing of cotton yarn and cotton grey cloth. The cotton yarn manufacturing unit has an installation capacity of 11648 spindles per day and utilizing 100% of its installed capacities and located at Pethanaickenpalayam village, Pongalur (PO), Tamil Nadu. Cloth manufacturing unit is located at a distance of 183 Km from cotton yarn manufacturing unit, with installed capacity of 80,000 meters/day and current utilization is at 75%.

Rating History for the last three years

S.No	Instrument /Facility	Current Rating (2018)			Rating History		
		Type	Amount (₹ Cr)	Rating^	15.3.2017	17.12.2015	2014
	Cash Credit Term Loan	Long Term	10.00 0.61	Issuer Not cooperating rating downgraded to BWR B (Pronounced as BWR Single B) (Outlook:Stable)	Issuer Not cooperating rating downgraded to BWR B+ (Pronounced as BWR Single B plus) (Outlook:Stable)	BWR BB- (Pronounced as BWR double B minus) (Outlook: Stable)	Not Rated
	Total		10.61	₹ Ten Crores and Sixty One Lakhs Only			

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

Status of non-cooperation with previous CRA (if applicable)-Reason and comments: 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

Arun Shankar Textiles
Annexure I

Particulars	Units	2014	2015
Net Sales/Revenues	₹ Cr	28.25	39.55
EBIDTA	₹ Cr	2.06	2.42
PAT	₹ Cr	0.99	1.10
Tangible Net worth	₹ Cr	6.65	7.63
Total Debt : TNW	Times	1.01	0.96
Current Ratio	Times	1.54	1.49

Note: As per information available with BWR

Analytical Contacts	Media
<u>Venkatesh</u> <u>CGM-Ratings</u> analyst@brickworkratings.com	media@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.