

RATING RATIONALE

5 Nov 2019

Arun Shankar Textiles

Brickwork Ratings Revises the ratings for the Bank Loan Facilities of ₹ 10.61 Crores of Arun Shankar Textiles based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (March 2018)	Present
Fund based	10.61	10.61	Long Term	BWR B (Stable) Issuer Not Cooperating*	BWR D Issuer Not Cooperating* (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 cooperate, based on best available information.

Details of Bank facilities is provided in Annexure-I&II

RATING ACTION

Downgraded to BWR D (Issuer did not co-operate) based on best available information as the Issuer did not cooperate.

OUTLOOK / NATURE OF NON-COOPERATION

The rating was due for a review in March, 2019. BWR took up with the issuer to provide required information over emails 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 firm, BWR is unable to assess the firm's financial performance and its ability to service its debt and maintain a valid rating. BWR has received feedback from banker that the account has been classified as Non-Performing Asset (NPA). Hence, based on best available information and lender feedback, Brickwork Ratings has

revised the ratings to BWR D and migrated the ratings to the ISSUER NOT COOPERATING* category.

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.

KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY 2014	FY 2015
Result Type		Audited	Audited
Operating Revenue	Crore	28.25	39.55
EBITDA	Crore	2.06	2.42
PAT	Crore	0.99	1.10
Tangible Net Worth	Crore	6.65	7.63
Total Debt / Tangible Net Worth	Times	1.01	0.96
Current Ratio	Times	1.54	1.49

COMPANY PROFILE

Arun Shankar Textiles a Partnership firm was formed by Mr. K.Govindasamy & Ms. G. Rajeshwari along with their minor son/s G Arun Kumar & G Ravi Shankar on 1st of November 1989, located at Somanur, Tamil Nadu. The firm is engaged in manufacturing of cotton yarn and grey cloth.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NA

RATING HISTORY

Facilities	Current Rating			Rating History		
	Tenure	Amount (₹ Cr)	Rating	March 2018	March 2017	Dec 2015
Term Loan Cash Credit	Long Term	0.61 10.00	BWR D Issuer Not Cooperating * (Downgraded)	BWR B (Stable) Issuer Not Cooperating*	BWR B+ (Stable) Issuer Not Cooperating*	BWR BB- (Stable)
Total		10.61	INR Ten Crores and Sixty One lakhs Only			

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

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

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ANNEXURE I

Arun Shankar Textiles

Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Total [₹ Cr]
1.	Karnataka Bank Ltd.	Term Loan	0.61	0.61
2.		Cash Credit	10.00	10.00
TOTAL				10.61

Total Rupees Ten Crores and Sixty One lakhs only.

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