

## Rating Rationale

### Associates Nonwovens

11<sup>th</sup> October, 2017

Brickwork Ratings has reviewed the Rating for the Bank loan facilities of Rs. 18.42 Crs of Associates Nonwovens based on the best available information, as the issuer did not cooperate. Accordingly, the long term rating for the said instrument is downgraded to BWR BB- and short term rating is downgraded as A4.

#### Particulars:

Facilities Rated	Amount (Rs. Crs)		Tenure	Rating *	
	Previous	Present		Previous	Present
<b><u>Fund Based :</u></b> Cash Credit Limit	6.50	6.50	Long Term	BWR BB (Pronounced as BWR Double B) Outlook: Stable	<b>Issuer did not Co- operate; BWR BB- (Pronounced as BWR Double B Minus) Outlook: Stable (Downgraded)</b>
Term Loan	4.92	4.92 <sup>^</sup>			
<b><u>Non Fund Based:</u></b> FLC/ILC	7.00	7.00	Short Term	BWR A4+ (Pronounced as BWR A Four Plus)	<b>Issuer did not Co- operate; BWR A4 (Pronounced as BWR A Four) ( Downgraded)</b>
<b>Total</b>	<b>18.42</b>	<b>18.42</b>	<b>(INR Eighteen Crores &amp; Forty Two Lakhs Only)</b>		

<sup>^</sup> Term Loan outstanding is as on 11/09/2014.

\*Issuer did not cooperate; Based on best available information

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

#### Rating downgraded

##### Nature of the Non-co-operation:

The rating was due for a review in September-2017. BWR took up with the issuer to provide required information over emails and through telephone calls. The matter was also taken up with the Banker. No feedback was provided by the Firm/bank. Despite the best efforts of BWR to get at least the minimum required 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.

##### 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.

11<sup>th</sup> October, 2017

**About the Firm: (Information as available as on Sept-2014)**

Associates Nonwovens (ANW) was established as partnership concern in April 2005. The firm is managed by three partners, Mrs Chitra Devi Mittal along with her two sons Mr Praveen and Mr Naveen Mittal. Its head office is located at Delhi and manufacturing unit at Kala Amb (H.P.). ANW is engaged in the manufacturing of non-woven fabric which is used in technical textiles. The products offered by the firm are PP spun-bond non-woven fabrics, embroidery backing paper and needle punch non-woven fabric. Recently in FY 13, the firm had also included artificial plastic lawn carpet in its product portfolio. Installed capacity of PP spun-bond non woven fabrics, embroidery backing paper, needle punch non-woven fabric and Artificial Plastic Lawn carpet are 3,200 M/T per annum, 500 M/T per annum, 2000 M/T per annum and 660 MT per annum respectively. Products are sold under brand name of 'A-One', which has its presence all over India.

**Rating History for the last three years:**

Sr. No.	Instrument/ Facility	Current Rating (Year 2017)			Rating History		
		Type	Amt in Crs	Rating	2016	2015	Sept- 2014
1	<b>Fund Based:</b> Cash Credit Limit	Long Term	6.50	<b>BWR BB-*</b> <b>Pronounced as</b> <b>BWR Double B</b> <b>Minus)</b> <b>Outlook: Stable</b> <b>(Downgraded)</b>	Not Rated	Not Rated	BWR BB (Pronounced as Double B) Outlook: Stable
	Term Loan		4.92				
2.	<b>Non Fund Based</b> FLC/ILC	Short Term	7.00	<b>BWR A4*</b> <b>(Pronounced as</b> <b>BWR A Four)</b> <b>( Downgraded)</b>	Not Rated	Not Rated	BWR A4+ (Pronounced as BWR A Four Plus)
	<b>Total</b>		<b>18.42</b>	<b>(INR Eighteen Crores &amp; Forty Two Lakhs Only)</b>			

\*Issuer did not cooperate: based on the best available information.

**Hyperlink/Reference to Applicable Criteria:**

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

Analytical Contacts	Media
<b><u>S. Venkatesh</u></b> <b><u>Cheif General Manager - Ratings</u></b> <u><a href="mailto:analyst@brickworkratings.com">analyst@brickworkratings.com</a></u>	<u><a href="mailto:media@brickworkratings.com">media@brickworkratings.com</a></u> <b>Relationship Contact</b> <u><a href="mailto:bd@brickworkratings.com">bd@brickworkratings.com</a></u>
<b>Phone: 1-860-425-2742</b>	

#### 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](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto: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 ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

#### 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.