



RATING RATIONALE

24 Apr 2020

Aabhas Spinners (Pvt) Ltd.

Brickwork Ratings Revises the Long Term rating and Reaffirms the Short Term rating for the Bank Loan Facilities of ₹ 4.95 Crores of Aabhas Spinners (Pvt) Ltd. based on the best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (Sep, 2018)	Present
Fund Based Cash credit	4.75	4.75	Long Term	BWR B+ (Stable)	BWR B (Stable) [Downgraded] Issuer Not Cooperating*
Non-fund Based	0.20	0.20	Short Term	BWR A4	BWR A4 [Reaffirmed] Issuer Not Cooperating*
Total	4.95	4.95	INR Four crores and ninety five 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 provided in Annexure-I

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

The long term rating of the Bank Loan Facilities of the company has been downgraded to BWR B (Stable) and the short term rating has been reaffirmed at BWR A4 under 'Issuer Not Cooperating' category.

BWR had initially assigned a rating of BWR B+(Stable)/BWR A4 for the bank loan facilities on 10 Sep' 2018. The rating was due for review in Sep' 2019. BWR took up with the issuer consistently to provide required information over emails apart from telephonic communication. Monthly No Default Statement (NDS) is also not being submitted by the client. Further, as we are unable to reach the bankers, conduct of account is not available .

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.



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. Users of the credit ratings should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non- transparency and withholding of information required for a review of the rating.

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

Key Parameters	Units	FY 2018	FY 2017
Result Type		Audited	Audited
Net Sales/Revenues	₹ Cr	29.63	32.08
EBIDTA	₹ Cr	1.75	1.54
PAT	₹ Cr	0.18	0.17
Tangible Networth	₹ Cr	4.42	4.11
Total Debt : TNW	Times	1.76	1.50
Current Ratio	Times	1.13	1.27

COMPANY PROFILE (Based on the information available in Sep, 2018)

Aabhas Spinners Pvt Ltd was incorporated in 1992 by Mr Padam Kumar Dalmia and his wife Tripta Dalmia in Ludhiana, Punjab. In 2002, his son Mr Aabhas Dalmia joined as a director. The company undertakes processing of polyester fibre & filament into yarn. The company has an installed capacity of 2200 tonnes per annum and currently utilizes 90.00% of its total installed capacity.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: Not Available

RATING HISTORY

Instrument / Facilities	Current Rating			Rating History		
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	2019	10 Sep' 2018	2017
Fund Based Cash credit	Long Term	4.75	BWR B/ Stable [Downgraded] “Issuer Not Cooperating”	-	BWR B+/ Stable	NA
Non-fund Based	Short Term	0.20	BWR A4 [Reaffirmed] “Issuer Not Cooperating”	-	BWR A4	NA
Total		4.95	INR Four crores and ninety five lakhs Only			

COMPLEXITY LEVELS OF THE INSTRUMENTS

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

Hyperlink/Reference to applicable Criteria

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

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ANNEXURE I

Aabhas Spinners (Pvt) Ltd.

Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1.	Bank Of India	Cash Credit	4.75	-	4.75
		Non Fund Based	-	0.20	0.20
TOTAL					4.95

Total Rupees Four crores and ninety five lakhs only.

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