

Press Release

Ashwin Corporation

February 11, 2020

Rating Update



Total Bank Facilities Rated#	Rs.50.00 Cr.
Long Term Rating	ACUITE BB+ (Downgraded from ACUITE BBB-/Stable) Issuer not co-operating*
Short Term Rating	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*

Refer Annexure for details

*The issuer did not co-operate; based on best available information

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and the short term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3**' (read as **ACUITE A three**) on the Rs.50.00 crore bank facilities of Ashwin Corporation (AC). This rating is now an indicative rating and is based on the best available information.

Ashwin Corporation (AC) is a partnership firm established in 1989. Mr. Vishnu Kumar Gupta and Mrs. Kusum Gupta are the partners of the firm. The firm has its registered office in Mumbai and is engaged in the business of ship breaking. AC has the 1,440 square metre Ship Breaking Yard located at Alang in Bhavnagar (Gujarat).

Analytical Approach

To arrive at the rating, Acuite has consolidated business and financial risk profiles of Ghasiram Gokalchand Ship Breaking Yard (GGSBY) and Ashwin Corporation (AC) hereinafter referred to as Ghasiram Group. The consolidation is on account of similarity in the line of business, common management, strong operational and financial linkages. Extent of consolidation: Full

Non-cooperation by the issuer/borrower:

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.htm>
- Trading Entities - <https://www.acuite.in/view-rating-criteria-61.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuite endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Liquidity Indicators –

No information provided by the issuer / available for Acuité to comment upon.

Rating Sensitivity –

No information provided by the issuer / available for Acuité to comment upon.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
20-Nov-2019	Cash Credit	Long Term	20.00	ACUITE BBB-/Stable (Reaffirmed)
	Letter of Credit	Short Term	17.00	ACUITE A3 (Reaffirmed)
	Proposed Bank Facility	Short Term	13.00	ACUITE A3 (Reaffirmed)
19-Sep-2018	Cash Credit	Long Term	20.00	ACUITE BBB-/Stable (Assigned)
	Letter of Credit	Short Term	17.00	ACUITE A3 (Assigned)
	Proposed Bank Facility	Short Term	13.00	ACUITE A3 (Assigned)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE BB+ (Downgraded from ACUITE BBB-/Stable) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	17.00	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	13.00	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*

*The issuer did not co-operate; based on best available information.

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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