

**Artedz Fabs Limited**  
**January 15, 2021**

**Ratings**

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	10.50	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>10.50</b> <b>(Rs. Ten Crore and Fifty</b> <b>Lakhs Only)</b>		

*Details of instruments/facilities in Annexure-1*

**Detailed Rationale & Key Rating Drivers**

CARE had, vide its press release dated December 6, 2019, placed the rating(s) of Artedz Fabs Limited (AFL) under the 'issuer not-cooperating' category as AFL had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. AFL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated January 8, 2021, January 9, 2021 and January 11, 2021. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

***Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).***

*The rating takes into account ongoing delays in debt servicing.*

**Detailed description of the key rating drivers**

*At the time of last rating on December 6, 2019 the following were the rating strengths and weaknesses (updated for the information available from Registrar of Companies):*

**Key Rating Weaknesses**

***Ongoing delays in debt servicing:*** As per the banker interaction, there were continuous overdrawals in cash credit facility for more than 30 days and the account has been classified as NPA.

**Analytical approach:** Standalone

**Applicable Criteria**

[Policy in respect of Non-cooperation by issuer](#)

[CARE's Policy on Default Recognition](#)

[Criteria on assigning Outlook to Credit Ratings](#)

[Rating Methodology-Manufacturing Companies](#)

[Rating Methodology for Cotton Yarn Industry](#)

[Financial ratios – Non-Financial Sector](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

**About the Company**

Incorporated in 2006, Artedz Fabs Limited (AFL) is engaged in manufacturing & trading of grey & finished cotton fabrics for shirting material, wherein the dyeing process is completely outsourced and the grey fabrics manufacturing is undertaken in-house, whereas the excess demand is met by way of outsourcing the said activity. However, the company also undertakes trading of grey & finished fabrics, depending upon the customers demand. The company generally purchases primary raw material viz. yarn from domestic market and sells finished fabric to wholesalers and garment manufacturers mainly in Mumbai. The company's name has been changed from Artedz Fabs Private Limited (AFPL) to AFL with effect from February 19, 2018.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

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

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	64.34	81.46
PBILDT	10.03	5.52
PAT	3.66	0.25
Overall gearing (times)	1.93	1.20
Interest coverage (times)	2.54	1.43

A: Audited,

**Status of non-cooperation with previous CRA:** CRISIL, vide its press release dated June 28, 2014, has suspended its rating on the bank facilities of Artedz Fabs Private Limited (AFPL).

**Any other information:** Not applicable

#### Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	10.50	CARE D; ISSUER NOT COOPERATING*

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

**Rating History for last three years:** Please refer Annexure-2

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	-	-	-	-	1)Withdrawn (04-Oct-18)	1)CARE BB-; Stable (10-Jan-18) 2)CARE B; Stable (05-May-17)
2.	Fund-based - LT-Cash Credit	LT	10.50	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (06-Dec-19)	1)CARE BB-; Stable (04-Oct-18)	1)CARE BB-; Stable (10-Jan-18) 2)CARE B; Stable (05-May-17)

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

**Annexure 3: Complexity level of various instruments rated for this Company**

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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**About CARE Ratings:**

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**