



RATING RATIONALE

30 April 2020

AB Cotspin India Ltd

Brickwork Ratings downgrades the long term rating and reaffirms the short term rating for the Bank Loan Facilities of ₹36.75 Crores of AB Cotspin India Ltd based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (31 Aug 2018)	Present
Fund Based	35.75	35.75	Long Term	BWR BB Negative Issuer Not Cooperating*	BWR B+ Negative (Downgrade) Issuer Not Cooperating*
Non Fund Based	1.00	1.00	Short Term	BWR A4 Issuer not Cooperating*	BWR A4 Issuer Not Cooperating*
Total	36.75	36.75	Rupees Thirty six crores and Seventy 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.

NATURE OF NON-COOPERATION

BWR last reviewed the bank loan facilities of AB Cotspin India Ltd., for Rs.36.75 Cr in Aug 2018 at BWR BB/A4 (Negative) under Issuer Non Cooperation. The review of the rating was due in Aug 2019.

Despite the best efforts of BWR to get at least the minimum required information for a review through mails dated 15.04.2020, the company has not provided the same. In the absence of adequate information from the client, BWR is unable to assess the issuer's financial performance and its ability to service its debt and maintain a valid rating. In view of this BWR has downgraded the long term rating to BWR B+ (Negative) and reaffirmed the short term rating at BWR A4.

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.

COMPANY PROFILE (As available with BWR in March 2017)

AB Cotspin India Limited (ACIL) originally incorporated in June 1997 in the name of M/s Ganga Cottex Ltd. Later, it was acquired by A B Cotspin India Ltd in Oct 2010. ACIL is engaged in the manufacturing of cotton yarn, knitting and & trading of allied products such as cotton seed etc.

Key Financial Indicators (As available with BWR)

Key Parameters	Units	FY15 (Aud)	FY16 (Aud)
Operating Revenue	₹ Cr	78.76	102.53
EBITDA	₹ Cr	10.18	10.72
PAT	₹ Cr	0.50	0.52
Tangible Net worth	₹ Cr	14.36	14.89
Total Debt/Tangible Net worth	Times	3.60	3.16
Current Ratio	Times	1.95	1.47

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NIL

RATING HISTORY (including withdrawn / suspended)

Instrument / Facilities	Current Rating			Rating History														
				2019	31 Aug 2018	03 March 2017												
Bank Loans	FB	Rs.35.75 crs	BWR B+ (Negative) Issuer not Cooperating*	N.A	<table border="1"> <tr> <td>FB</td> <td>Rs.35.75 crs</td> <td>BWR BB (Negative) Issuer not Cooperating*</td> </tr> <tr> <td>NFB</td> <td>Rs.1 crs</td> <td>BWR A4 Issuer not Cooperating</td> </tr> </table>	FB	Rs.35.75 crs	BWR BB (Negative) Issuer not Cooperating*	NFB	Rs.1 crs	BWR A4 Issuer not Cooperating	<table border="1"> <tr> <td>FB</td> <td>Rs.35.75 crs</td> <td>BWR BB+ (Stable)</td> </tr> <tr> <td>NFB</td> <td>Rs.1 crs</td> <td>BWR A4+</td> </tr> </table>	FB	Rs.35.75 crs	BWR BB+ (Stable)	NFB	Rs.1 crs	BWR A4+
	FB	Rs.35.75 crs	BWR BB (Negative) Issuer not Cooperating*															
	NFB	Rs.1 crs	BWR A4 Issuer not Cooperating															
	FB	Rs.35.75 crs	BWR BB+ (Stable)															
NFB	Rs.1 crs	BWR A4+																
NFB	Rs.1 crs	BWR A4 Issuer not Cooperating*																
Rs.36.75 crs		INR Thirty Six crores and Seventy Five Lakhs Only																

*Issuer did not Cooperate. Based on the best available information.

ANNEXURE I

AB Cotspin India 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	Punjab National Bank, Civil Lines, Bathinda	Cash Credit	18.00	NIL	18.00
2		Term Loan	17.75	NIL	17.75
3		ILG	NIL	1.00	1.00
TOTAL			35.75	1.00	36.75

Rupees Thirty Six crores and Seventy 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](#)
- [Short Term Debt](#)

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