Rating Rationale

A I Cotton Industries

21 Sept 2020

Brickwork Ratings has reviewed the Rating for the Bank Loan facilities of ₹ 14.00 Crore of A I Cotton Industries based on best available information, as the issuer did not cooperate.

Particulars :

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (July-2018)	Present
Fund Based	14.00	14.00	Long Term	BWR B+ Reaffirmed Outlook: Stable	BWR B (Stable) [Downgraded] Issuer not cooperating *
Total	14.00	14.00	Rupees Fourteen Crores Only		

Please refer to BWR website www.brickworkratings.com/ for the definition of the ratings
* Issuer did not cooperate, based on best available information.
Details of Bank facilities are provided in Annexure-I&II

NATURE OF NON-COOPERATION

The rating was due for a review in **July-2019**. BWR took up with the client to provide the required information over emails and through telephone calls. 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/NDS (No Default Statements) from the Company on a regular basis, BWR is unable to assess the Company's financial performance and its ability to service its debt and maintain a valid rating.

Hence, on account of inadequate information and lack of management cooperation, Brickworks Ratings has downgraded the rating to BWR B (Stable) and categorized the ratings as "Issuer Not Cooperating".

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 the required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should, therefore, take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholdings of the information required for a review of the rating.

COMPANY PROFILE (Information as available in July -2018)

M/s AI Cotton Industries constituted as a proprietorship firm in December 2008 by Mr Rasik Thakker based at Rapar, Kutch, Gujarat.The firm is engaged in cotton ginning and pressing with an installed capacity of 46000 Bales Per Annum operating at 60% capacity.Also the firm AICI has setup an oil refinery with capacity of 2835 tonnes per annum, operating at 50% capacity
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NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: Not Applicable

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

S.No	Facility	Current Rating (2020)^			Rating History		
		Type	Amount (₹ Crs)	Rating	8 July 2019#	6 July 2018	12 July 2017
1	Fund Based	Long Term	14.00	BWR B (Stable) [Downgraded] Issuer not cooperating *	NA	BWR B+ Reaffirmed Outlook: Stable	BWR B+ Reaffirmed Outlook: Stable
	Total		14.00	INR Fourteen Crores Only			

* Issuer did not cooperate, based on best available information.
# TheRating not reviewed advisory issued on 8 July 2019.

COMPLEXITY LEVELS OF THE INSTRUMENTS

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

For any other criteria obtain hyperlinks from the website

- **General Criteria**
- **What constitutes Non- cooperation**

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A I Cotton Industries

ANNEXURE I

Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term (₹ Cr)	Total (₹ Cr)
1	DenaBank	Fund Based Cash Credit	14.00	14.00
		Total	14.00	14.00

Total ₹ Fourteen Crores Only

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About Brickwork Ratings : Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI], offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,400 medium and large corporates and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations. BWR has Canara Bank, a leading public sector bank, as one of the promoters and strategic partners. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.