



Rating Rationale

20 March 2021

A.I. Enterprises Pvt. Ltd.

Brickwork Ratings has downgraded the long term ratings and reaffirmed the short term ratings for the Bank Loan Facility of Rs. 77.34 Crores of A.I. Enterprises Pvt. Ltd. (AIEPL or 'the Company') based on best available information, as the issuer did not cooperate.

Particulars:

Facility#	Amount (Rs Crs)		Tenure	Ratings	
	Previous	Present		Previous (March 2020)	Present
Fund Based			Long Term	BWR B+/Stable Assigned	BWR B/Stable ISSUER NOT COOPERATING* (Downgraded and migrated to Issuer Not Cooperating category)
Cash Credit	15.00	15.00			
ABL Overdraft	0.83	0.83			
Term Loan	6.01	6.01			
Fund Based			Short Term	BWR A4 Assigned	BWR A4 ISSUER NOT COOPERATING* (Reaffirmed and migrated to Issuer Not Cooperating category)
PC/PCFC	35.00	35.00			
FBP/FBD	18.00	18.00			
Non-fund Based					
Bank Guarantee	2.50	2.50			
Total	77.34^	77.34^	Rupees Seventy Seven Crores and Thirty Four Lakhs Only		

* Issuer did not cooperate, based on best available information # Please refer to BWR website

www.brickworkratings.com/ for definition of the ratings;^Apart from the above mentioned facilities the company has also availed loans against securities from Deutsche Bank AG and PNB Housing Finance aggregating Rs. 25.52 Crs which have not been rated by BWR at the request of the company;** Details of Bank facilities provided in Annexure-I

Rating Action/Nature Of Non-cooperation:

The ratings were due for a review on 19 March 2021. BWR has consistently taken up with the company to provide required information for conducting a review of the rating through emails and telephone calls. Despite the best efforts of BWR to get at least the minimum required information for a review, the company has not provided the same. Further, the company has not been submitting the monthly 'No Default Statement' (NDS) in deviation of extant guidelines. Due to the lack of management cooperation and in the absence of adequate information, BWR is unable to assess the Company's financial performance and its ability to service its debt and maintain a valid rating. Hence, based on best available information, Brickwork Ratings has downgraded the ratings to BWR B/Stable/A4 and migrated the ratings at the ISSUER NOT COOPERATING* category.



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 rating 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 Rs. Cr)*

Key Parameters	Units	31 March 2018	31 March 2019
Result Type		Audited	Audited
Total Revenue	Rs. Cr	309.73	280.93
OPBDIT	Rs. Cr	4.87	5.66
PAT	Rs. Cr	(5.58)	(7.91)
Tangible Networkth	Rs. Cr	37.46	29.57
Total Debt/Tangible Networkth	Times	4.41	6.63
Current Ratio	Times	1.00	1.04

* As per information available in March 2020.

About the Company

A.I. Enterprises Pvt Ltd (AIEPL) was incorporated in April 2004 at Chennai, Tamil Nadu. The company is mainly engaged in the business of manufacturing and exporting woven and knit garments with manufacturing facilities located at Chennai and Tirupur. AIEPL majorly caters to the export market, exporting its products mainly to USA, European and Middle eastern countries. Exports contributed to 94.30% of revenue generated by sale of garments. The company also has a dealership of Maruti Suzuki (India) Pvt Ltd for their cars and an established showroom and service shop at ECR, Chennai. Revenue from car dealership contributed to ~42% of the total revenue in FY19.

Mr. Abdul Azeez, Mr. Haji Iqbal, Mrs. Sameen Azeez, Mr. Abdul Majeed, Mr. K V Ramachandran are the directors.

Status of Non-Cooperation with Previous CRA : CRISIL B+/Stable/A4 (Issuer Not Cooperating) as on Feb 11,2021

Rating History for the last three years [including withdrawal and suspended]:

Facilities	Current Rating (March 2021)			Rating History#		
	Tenure	Amount (Rs.Crs)	Rating	19 March 2020	2019	2018
Fund Based	Long Term		BWR B/Stable ISSUER NOT COOPERATING* (Downgraded and migrated to Issuer Not Cooperating category)	BWR B+/Stable Assigned	NA	NA
Cash Credit		15.00				
ABL - Overdraft		0.83				
Term Loan		6.01				
Fund Based	Short Term		BWR A4 ISSUER NOT COOPERATING* (Reaffirmed and migrated to Issuer Not Cooperating category)	BWR A4 Assigned	NA	NA
PC/PCFC		35.00				
FBP/FBD		18.00				
Non Fund Based						
Bank Guarantee		2.50				
Total		77.34	Rupees Seventy Seven Crores and Thirty Four Lakhs Only			

Complexity Levels of the Instruments

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

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Short Term Debt](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)

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A.I. Enterprises Pvt Ltd

ANNEXURE I

Details of Bank Facilities rated by BWR

Sl. No.	Type of Facilities	Long Term (Rs. Cr)	Short Term (Rs. Cr)	Total (Rs. Cr)
1	Cash Credit	15.00	-	15.00
2	ABL - Overdraft	0.83	-	0.83
3	ABL - Term Loan	6.01	-	6.01
4	Bank Guarantee	-	0.50	0.50
5	PC/PCFC	-	35.00	35.00
6	Post shipment (FBP/FBD)	-	18.00	18.00
7	Bank Guarantee	-	2.00	2.00
8	ILC/FLC*	-	(2.00)	(2.00)
9	Cash Credit**	(5.00)	-	(5.00)
Total : Rupees Seventy Seven Crores and Thirty Four Lakhs only				77.34[^]

Sublimit of Bank Guarantee;Sublimit of Post shipment credit;**

[^]Apart from the above mentioned facilities the company has also availed loans against securities from Deutsche Bank AG and PNB Housing Finance aggregating Rs. 25.52 Crs which have not been rated by BWR at the request of the company. Note: As per information available in March 2020

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