



RATING RATIONALE

24 June 2020

AHUJA COTSPIN PVT. LTD

Brickwork Ratings has reviewed the ratings for the Bank Loan Facilities of Rs 216.58 Crs of *Ahuja Cotspin Pvt. Ltd.*, based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (Rs in Crs)		Tenure	Rating#	
	Previous	Present		Previous (June,2019)	Present
Fund Based	216.58	216.58	Long Term	BWR D	BWR D Issuer Not Cooperating
Total	216.58	216.58	Rupees Two Hundred Sixteen Crores and Fifty Eight Lakh Only		

Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
Details of Bank facilities is provided in Annexure-I

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

The rating was due for a review in June ,2020. BWR took up with the issuer to provide required information via emails dated 16.06.2020, 12.06.2020, 02.06.2020, 21.05.2020. Despite the 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 a surveillance mandate and adequate information from the issuer, BWR is unable to assess the company current complete financial performance and its ability to service its debt and maintain a valid rating. NDS has not been submitted by the company. Thus, the rating has been reaffirmed at BWR D and moved to 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.

KEY FINANCIAL INDICATORS [AS AVAILABLE WITH BWR in March,2018]

Key Parameters	Units	FY16	FY17
Result Type		Audited	Audited
Net Sales/Revenue	Rs. Crores	253.43	318.31
EBITDA	Rs. Crores	30.84	32.23
PAT	Rs. Crores	3.96	4.18
Tangible Net worth	Rs. Crores	65.80	89.93
Debt : TNW Ratio	Times	2.17	1.97
Current Ratio	Times	1.08	1.20

COMPANY PROFILE [AS AVAILABLE WITH BWR in March,2018]

Ahuja Cotspin Private Limited (ACPL) was incorporated in 2010 at Ludhiana. It commenced its commercial operations in Aug 2011. The Company is engaged in manufacturing of cotton yarn on Ring Spinning System, knitted cloth & open end yarn on Rotors system. Prior to entering into manufacturing yarn the promoters of the company were doing trading business in cotton yarn. ACPL manufacturing facilities are located at Ludhiana- Village Bhattian & Village Lakhawal Kalan, Kohara Express Highway Machhiwara, Punjab. The company has installed capacity of 28800 spindles (including 14400 spindles added in FY17 and commenced operations in September 2016), 2,880 rotors and with machines like Blow room, Comber, Draw frame, Speed frame, Ring frame, Auto corner & Yarn conditioning. The Company is promoted by Mr. Gulshan Kumar Ahuja, Mr. Ashok Ahuja & his son Mr. Vishal Ahuja.

RATING HISTORY FOR LAST 3 YEARS (INCLUDING WITHDRAWN/SUSPENDED)

Facilities Availed	Current Rating (June 2020)		(Amount in (Rs.Crs))															
	Tenure	Amount (In Crs)	Rating	2019*	2018	2017												
Bank Loan Fund Based (FB)	Long Term	216.58	BWR D Issuer Not Cooperating (Reaffirmed)	20.06.2019 <table border="1"> <tr> <td>F B</td> <td>216.58</td> <td>BWR D Downgrade</td> </tr> </table> 17.05.2019 <table border="1"> <tr> <td>F B</td> <td>216.58</td> <td>BWR BBB- Issuer Not Cooperating Downgrade</td> </tr> </table>	F B	216.58	BWR D Downgrade	F B	216.58	BWR BBB- Issuer Not Cooperating Downgrade	31.5.2018 <table border="1"> <tr> <td>F B</td> <td>216.58</td> <td>BWR BBB+ (Stable) Upgrade</td> </tr> </table>	F B	216.58	BWR BBB+ (Stable) Upgrade	19.5.2017 <table border="1"> <tr> <td>F B</td> <td>220.50</td> <td>BWR BBB (Stable) Reaffirmed.</td> </tr> </table>	F B	220.50	BWR BBB (Stable) Reaffirmed.
F B	216.58	BWR D Downgrade																
F B	216.58	BWR BBB- Issuer Not Cooperating Downgrade																
F B	216.58	BWR BBB+ (Stable) Upgrade																
F B	220.50	BWR BBB (Stable) Reaffirmed.																
Total		216.58	Rupees Two Hundred Sixteen Crores and Fifty Eight Lakh Only															

*Rating was moved to rating not reviewed on 22 June 2020

NON-COOPERATION WITH PREVIOUS RATING AGENCY :NA

COMPLEXITY LEVELS OF THE INSTRUMENTS



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

Hyperlink/Reference to applicable Criteria

Hyperlink/Reference to applicable Criteria

- **General Criteria**
- **Approach to Financial Ratios**
- **What Constitutes Non-Cooperation**
- **Default Recognition and Post Default Curing Period**
- **Manufacturing Companies**

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ANNEXURE I

**Ahuja Cotspin Pvt. Ltd.
Details of Bank Facilities rated by BWR**

Sl.No.	Name of the Bank	Type of Facilities	Long Term [Rs in Crs]	Short Term [Rs in Crs]	Total [Rs in Crs]
1	SBI	CC Term Loan	33.15 15.81	- -	33.15 15.81
2	PNB	CC FOBNLC Term Loan	35.00 10.00 16.81	- - -	35.00 10.00 16.81
3	Central Bank of India	CC Term Loan	14.50 12.61	- -	14.50 12.61
4	United Bank of India(Now PNB)	CC Term Loan	8.00 11.52	- -	8.00 11.52
5	Union Bank of India	CC Term Loan	9.00 5.57	- -	9.00 5.57
6	State Bank of Patiala(Now SBI)	CC Term Loan	15.00 7.52	- -	15.00 7.52
7	State Bank of Hyderabad(Now SBI)	CC Term Loan	10.00 4.11	- -	10.00 4.11
8	Proposed Term Loan		8.00	-	8.00
TOTAL					216.58

Total Rupees Two Hundred Sixteen Crores and Fifty Eight Lakh Only

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About Brickwork Ratings :Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner. 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.

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