



Rating Rationale

Ahuja Cotspin Pvt. Ltd.

17 May 2019

Brickwork Ratings has reviewed the ratings assigned to 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. Accordingly, the rating for the said Bank Loan Facilities is as under :

Particulars

Facility Rated	Previous Review Amount (Rs. Crs)	Current Review Amount (Rs. Crs)	Tenure	Previous Rating	*Current Rating Assigned
Fund Based	216.58	216.58	Long Term	BWR BBB+ (pronounced as BWR Triple B Plus) Outlook : Stable	Issuer did not Cooperate; Based on best available information BWR BBB- (Pronounced as BWR Triple B Minus) (Outlook : stable) (Downgrade)
Total	216.58	216.58	INR Two Hundred Sixteen Crores and Fifty Eight Lakh Only		

#Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Ratings Downgrade (ISSUER NOT COOPERATING)

Nature of Non-Cooperation:

The rating was due for review is **March, 2019**. BWR took up with the issuer to provide 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

17 May 2019



absence of adequate information from the issuer/Company. BWR is unable to assess the issuer's/Company's current complete 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, Brickwork Ratings *has revised the long term rating to BWR BBB-(Stable): ISSUER NOT COOPERATING*

Limitation of the rating:

Information availability risk is a key factor in the assessment of credit risk as generally, non-co-operation by the rating entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings 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.

About the Company (as per the information available 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 is having 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 who have three decades & five years of experience in current line of business.

17 May 2019



Company's Financial (as per the financials available in March,2018)

Key Financial Figures			
Particulars	Unit	FY16 (A)	FY17 (A)
Operating Income	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
Total Debt	Rs. Crores	142.84	177.35
Total Debt : Equity	Times	2.17	1.97

Rating History for the last three years (including withdrawn/suspended ratings)

S.No.	Instrument/ Facility	Current Rating (2019)			Rating History		
		Type	Amount (Rs Crs)	Rating	2018	2017	2016
1.	Fund Based	Long Term	216.58	Issuer did not Cooperate; Based on best available information BWR BBB- (Pronounced as BWR Triple B Minus) (Outlook : stable) (Downgrade)	BWR BBB+ (Pronounced as BWR Triple B Plus) (Outlook : stable)	BWR BBB (Pronounced as BWR Triple B) (Outlook : stable)	BWR BBB (Pronounced as BWR Triple B) (Outlook : stable)
	Total		216.58	INR Two Hundred Sixteen Crores and Fifty Eight Lakh Only			

17 May 2019



Status of non-cooperation with previous CRA: Not Applicable

Hyperlink/Reference to applicable Criteria

- **General Criteria**
- **Approach to Financial Ratios**
- **Manufacturing Companies**
- **What constitutes Client Non-Cooperation**

Analytical Contacts	Investor Contacts
<p>RK Sharma Senior Director - Ratings B :+91 11 2341 2232 rksharma@brickworkratings.com</p> <p>Raman Thakur Ratings Analyst B :+91 11 2341 2232 raman.t@brickworkratings.com</p>	<p>Satish Nair Director - Global Market Development & Investor Relations M : +91 7738875550 B : +91 80 6745 6666 satish.n@brickworkratings.com</p>
1-860-425-2742	

For print and digital media

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

17 May 2019



Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

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.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.