

RATING RATIONALE

28 Mar 2020

Anilkumar and Company

Brickwork Ratings Downgrades the ratings for the Bank Loan Facilities of ₹ 10.71 Crores of M/s. Anilkumar and Company based on best available information, as the issuer did not cooperate.

Particulars

Facilities	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (July, 2018)	Present
Fund based:					
Cash credit Term loan	10.00 0.71	10.00 0.71	Long Term	BWR BB stable	BWR B+stable Issuer Non Cooperation* (Downgrade)
Total	10.71	10.71	INR Ten Crores and Seventy One Lakhs Only		

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

* Issuer did not cooperate, based on best available information.

Details of Bank facilities is provided in Annexure -I

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

Brickwork Ratings downgrades the ratings for the bank loan facilities of Rs. 10.71 Crs of M/s. Anilkumar and Company from BWR BB stable to BWR B+ stable Issuer Non Cooperation; based on best available information.

BWR had initially rated the bank loan facilities of M/s. Anilkumar and Company on 4th September 2014 with rating assigned as BWR BB- stable and the rating was due for a review during September 2015.

BWR took up with the issuer to provide required complete information over emails and over telephone calls. Despite the best efforts of BWR to get at least the minimum required information for a review, the company had not provided the same. In the absence of adequate information from the issuer, the rating was placed under Rating Not Reviewed due to non receipt of information from the client on 31st December 2016.

Later, BWR reviewed and upgraded the rating to BWR BB stable on 6th Feb 2017 and the rating was



due for review during February 2018.

Based on the financial information, clarification and other details from the management, the rating was reviewed and reaffirmed on 31st July 2018. The rating was due for surveillance during July, 2019.

BWR further took up with the issuer to provide required complete information over emails and telephone calls. Despite the best efforts of BWR to get at least the minimum required information for a review, the firm has not provided the same. In the absence of adequate information from the issuer, BWR is unable to assess the issuer'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, BWR recommends to downgrade the rating and categorize under Issuer Non Cooperation.

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.

BUSINESS PROFILE

Anilkumar And Company is a Partnership Firm established in 1978. The firm's registered office is located at Bijapur, Karnataka. The firm is engaged in ginning/pressing processing of cotton and trading of cotton. The Firm's plant is located at Amminabhavi, Dharwad and it has 89 ginning machines and 2 pressing units. The raw material procured for the ginning operations is raw cotton/kappas. The firm procures 50% of raw materials from farmers and 30% to 40% from APMC. The firm also procures raw materials through agents. The firm was initially started with 400 bales and during 2018 is producing 100,000 bales per year.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NONE

RATING HISTORY

Facilities	Current Rating (2020)			Rating History		
	Tenure	Amount (₹ Cr)	Rating	FY19	31.7.2018	6.2.2017
Fund Based						
Cash credit Term loan	Long term	10.00 0.71	BWR B+ Issuer Non Cooperation (Downgrade)	-	BWR BB stable (Reaffirmed)	BWR BB stable (Upgrade)
Total		10.71	INR Ten Crores and Seventy One 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](#)
- [Manufacturing Companies](#)

Analytical Contacts	Investor and Media Relations
<p>[Suma G] Rating Analyst [Board: +91 80 4040 9940 Ext: 345] [suma.g@brickworkratings.com]</p> <p>[K Nagaraj] [Assoc. Director – Ratings] Board: +91 80 4040 9940 [nagaraj.ks@brickworkratings.com]</p>	<p>Liena Thakur Assistant Vice President - Corporate Communications +91 84339 94686 liena.t@brickworkratings.com</p>

ANNEXURE I

Anilkumar and Company

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	Union Bank of India	CC Term loan	10.00 0.71	- -	10.00 0.71
TOTAL					10.71

Total Rupees Ten Crores and Seventy One Lakhs only.

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