

## RATING RATIONALE

28 March 2020

### Anjani Cotton Industries

**Brickwork Ratings Revises the ratings for the Bank Loan Facilities of ₹ 18.77 Crores of Anjani Cotton Industries based on best available information, as the issuer did not cooperate.**

### Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (Feb, 2019)^	Present
Fund based	18.77	18.77	Long Term	BWR BB Stable	BWR BB-Stable Issuer Not Cooperating* Downgraded
<b>Total</b>	<b>18.77</b>	<b>18.77</b>	<b>INR Eighteen Crores Seventy Seven Lakhs Only.</b>		

# Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

^Rating not reviewed advisory issued on 17 Feb, 2020.

\* 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

The long term rating of the Bank Loan Facilities of the company has been downgraded and shifted to BWR BB-(Stable), Issuer not cooperating on account of non-receipt of any papers/information for ascertaining the financial risk profile/performance of the Company. BWR has therefore moved the rating under the “Issuer Not Cooperating” category.

The rating was due for review in Feb 2020. 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 absence of adequate information from the Company, 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 of bank loan facilities to BWR BB-(Stable), 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 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 the information required for a review of the rating.

### COMPANY PROFILE (As available with BWR in Feb 2019)

Anjani Cotton Industries was incorporated in 1999 and started its commercial operations in the year 2001 as a partnership firm in the line of Cotton Ginning and Pressing. ACI is promoted by its partners Mr. Vipulbhai Ghodasara, Mr. Piyushbhai Sardava, Mr. Jayeshbhai Aghera and Mr. Rajdeepbhai Sardava. ACI has an installed capacity of 500 Cotton Bales per day with the industry located at Morbi District of Gujarat.

### NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NIL

### RATING HISTORY

Instrument / Facilities	Current Rating			Rating History		
	Tenure	Amount (₹ Cr)	Rating	17 Feb, 2020	14 Feb, 2019	09 Feb, 2018
Fund Based	Long Term	18.77	BWR BB-Stable Issuer not cooperating Downgraded	-	BWR BB Stable	BWR BB-Stable
Total			INR Eighteen Crores Seventy Seven Lakhs Only			

### COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

### Hyperlink/Reference to applicable Criteria

- [General Criteria](#)

- [Approach to Financial Ratios](#)

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### ANNEXURE I

#### Anjani Cotton Industries

#### 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	Bank of Baroda	<b>Fund Based:</b>			
		Term Loan	0.77	-	0.77
		Cash Credit	18.00	-	18.00
<b>TOTAL</b>					18.77

**Total Rupees Eighteen Crores Seventy Seven Lakhs only.**

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