

RATING RATIONALE

27 Feb 2020

Anna Bhau Ajara Taluka Shetkari Sahakari Soot Girani Ltd., Ajara

Brickwork Ratings Revises the ratings for the Bank Loan Facilities of ₹ 20.30 Crores of Anna Bhau Ajara Taluka Shetkari Sahakari Soot Girani Ltd, Ajara based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (Dec 2018)	Present
Fund based	20.30	20.30	Long Term	BWR BB-Stable	BWR B+ Stable (Downgraded) Issuer Not Cooperating*
Total	20.30	20.30	INR Twenty Crores and Thirty 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

The rating of the Bank Loan Facilities of the society has been revised and downgraded based on the available information as the client has not submitted any paper/information etc. for ascertaining the financial risk profile/performance of the society. We have therefore moved the rating under the “Issuer Not Cooperating” category.

The rating was due for surveillance in Dec 2019. The society was being regularly followed up for the surveillance, vide emails dated 08.11.2019, 11.01.2020 and 20.01.2020 and through telephone calls dated 20.01.2020 for obtaining the relevant and latest paper/ information for the review of the rating. The society did not cooperate for undertaking the rating process in spite of following up several times. Further, the client has not submitted the NDS from the past three months. In the absence of adequate information from the society and the bank, BWR is unable to



assess the society'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 place the rating under Issuer Non Cooperating category and has further revised the long term rating of the Bank Loan Facilities of the society to BWR B+ (Stable).

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 ratings should therefore take into account possible deterioration in the credit quality of the rated entity arising from its non-transparency withholding of information required for a review of the rating.

KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY 18	FY 17
Result Type		Audited	Audited
Operating Income	₹ Cr	79.00	67.40
EBITDA	₹ Cr	-1.16	-1.60
PAT	₹ Cr	-4.06	-4.48
Tangible Net Worth	₹ Cr	22.06	25.23
Total Debt /TNW	Times	1.02	0.80
Current Ratio	Times	0.47	0.47

COMPANY PROFILE (Information as on December 2018)

Based in Ajara taluka in Kolhapur district of Maharashtra, Anna Bhau is registered as a co-operative society. Though incorporated in 1979, the commercial operations commenced only in May 2009. Anna Bhau is presently engaged in manufacturing cotton yarn and recently into garment manufacturing on a job work basis. The yarn is sold in the brand name of 'Ajara Spin'. Yarn is produced from the raw cotton purchased with the help of 22,704 spindles. Daily yarn production capacity of the unit is approx. 13,000 kgs.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY : CARE has placed the outstanding rating of the society under Issuer Non Co-operation on 16.01.2019 as the society has failed to provide the required information. Outstanding Rating CARE BB-, Issuer Not Cooperating.

RATING HISTORY

Instrument / Facilities	Current Rating			Rating History		
	Tenure	Amount (₹ Cr)	Rating	Previous (Dec 2019)	Initial (Dec 2018)	2017
Fund based WHR	Long Term	5.00	BWR B+ Stable (Downgraded) Issuer Not Cooperating*	Rating Not Reviewed	BWR BB-Stable	Not Rated
Cash Credit		3.00				
Term Loan 1		5.59				
Term Loan 2		6.71				
Total		20.30	INR Twenty Crores and Thirty Lakhs Only			

*Issuer did not co-operate; based on best available information

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](#)
- [What Constitutes Non-Cooperation](#)

For any other criteria obtain [hyperlinks](#) from website

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ANNEXURE I

Anna Bhau Ajara Taluka Shetkari Sahakari Soot Girani Ltd., Ajara 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	Federal Bank	Term Loan 1	5.59	-	5.59
2		Term Loan 2	6.71	-	6.71
3		Cash Credit 1	3.00	-	3.00
4		WHR (CC 2)	5.00	-	5.00
TOTAL					20.30

INR Twenty Crores and Thirty Lakhs Only

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