



RATING RATIONALE

7 July 2020

AVADH FIBRES PRIVATE LIMITED

Brickwork Ratings Revises the ratings for the Bank Loan Facilities of Rs. 17.50 Crs. of Avadh Fibres Private Limited (AFPL or the ‘Company’) based on best available information, as the issuer did not cooperate.

Instruments / Facilities**	Amount (Rs.Crs)		Tenure	Rating#	
	Previous	Present		Previous (May, 2017)	Present
Fund based	17.50	17.50	Long Term	BWR B+ Outlook: Stable (Rating Not Reviewed)	BWR B Issuer Not Cooperating* Outlook:Stable Downgraded
Total	17.50	17.50	Rs. Seventeen Crores Fifty 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 was due for annual surveillance in January 2020. BWR took up with the issuer to provide required information over telephonic conversations and emails. Despite the best efforts of BWR to get at least the minimum required information for a review, Avadh Fibres Private Limited has not provided required information for carrying out a review of the rating. Further the Company has not been sharing No Default statement (NDS) with BWR as per extant regulatory requirements. In the absence of adequate information from the Company, BWR is unable to assess its financial performance and its ability to service its debt and maintain a valid rating.

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 Jan 2016]

Key Parameters	Units	2015	2014
Result Type		Audited	Audited
Revenues	₹ Cr	154.42	143.23
EBITDA	₹ Cr	2.57	2.38
PAT	₹ Cr	0.16	0.16
Total Debt : TNW	Times	4.06	5.27
Current Ratio	Times	1.43	1.40

COMPANY PROFILE

Avadh Fibers Private Limited (AFPL) was established in August 2008 and started commercial production in January 2010. The factory is located at Rajkot, Gujarat. The business is promoted by Girdharbhai G Vekriya, Mr. Amit Vekriya and other family members. The Company is engaged in Cotton ginning, pressing and cottonseed crushing to produce cotton bales cotton seed oil and cake. The company has therefore installed 30 ginning machines and 4 crushing machines with an installed capacity of 300 cotton bales per day and 50 MT of cotton seed oil per day.

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY:

Icra B+ suspended in March 2016

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

S · N o	Instr ume nt /Faci lity	Current Rating			Rating History		
		Type (Long Term/ Short Term)	Amount (₹ Crs)	Rating	May 2017	Jan 2016	2015
1	Fund Base d	Long Term	17.50	BWR B Issuer Not Cooperating* Outlook:Stable Downgraded	BWR B+ Outlook: Stable (Rating Not Reviewed)	BWR B+ (Outlook: Stable) Assigned	-
Total			17.50	Rs. Seventeen Crores Fifty Lakhs Only			

* Issuer did not cooperate, 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

Manufacturing companies

What constitutes a non cooperation

Analytical Contacts	Investor and Media Relations
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ANNEXURE I

Avadh Fibres Private Limited

Details of Bank Loan Facilities rated by BWR

Name of the Bank	Type of Facilities	Long Term [Rs. Crs]	Short Term [Rs. Crs]	Total [Rs. Crs]
Dena Bank	Cash Credit	17.50	0.00	17.50
TOTAL Rs. Seventeen Crores Fifty Lakhs Only				17.50

For print and digital media

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