



Rating Rationale

Avadh Fibres Private Limited

04 May 2021

Brickwork Ratings revises the Rating for the Bank Loan facilities of ₹ 17.50 Crore of Avadh Fibres Private Limited (AFPL or the ‘Company’) based on best available information, as the issuer did not cooperate.

Particular:

Facility**	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (July 2020)	Present
Fund Based	17.50	17.50	Long Term	BWR B Stable Issuer Not cooperating*	BWR D Issuer Not Cooperating*
Total	17.50	17.50	₹ Seventeen Crores Fifty Lakhs Only		

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

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

**Details of Bank facilities are provided in Annexure-I

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

Revised the rating as BWR D and continued the rating in Issuer not Cooperating category, based on best available information as the Issuer did not cooperate.

BWR has been seeking information from the entity so as to monitor its performance. Despite repeated requests, the entity’s management has remained non-cooperative. 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 entity, BWR is unable to assess its financial performance and its ability to service its debt and maintain a valid rating. As per recent IBBI public announcement, the Company is going under liquidation.

Based on best available information and continued lack of management cooperation, Brickwork Ratings has revised the rating as BWR D and continued the rating in “Issuer Not Cooperating” category.

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 the 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 withholdings of the information required for a review of the rating.

COMPANY PROFILE (Information as available with BWR)

Avadh Fibres 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 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.

The Company has not provided any financial information to BWR for the last three years.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NA

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

S.No	Facility	Current Rating (2021)^			Rating History^		
		Type	Amount (₹ Crs)	Rating	July 2020	2019	2018
1	Fund Based	Long Term	17.50	BWR D Issuer Not Cooperating*	BWR B Stable Issuer Not cooperating*	NA	NA
Total			17.50	₹ Seventeen Crores Fifty Lakh Only			

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

^BWR assigned rating of BWR B+/Stable in Jan 2016.

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

For any other criteria obtain **hyperlinks** from the website

- [General Criteria](#)
- [Criteria- Default Recognition & Default Curing Period](#)
- [What constitutes Non- cooperation](#)

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Avadh Fibres Private Limited
ANNEXURE I

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.	Dena Bank	Cash Credit	17.50	0.00	17.50
TOTAL ₹ 17.50 Crs Rs. Seventeen Crores Fifty Lakhs Only					17.50

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