Rating Rationale

03 May 2021

ADILAKSHMI ENTERPRISES

Brickwork Ratings has downgraded the rating assigned to the bank loan facilities of Rs.10.00 crore of the Adilakshmi Enterprises based on best available information, as the firm did not cooperate.

Particulars

Facilities#	**Previous Rated Amount Rs. Crs**	**Present Rating Amount Rs. Crs**	**Tenure**	**Rating[1]**	
				Previous Ratings^	**Present Rating***
Fund Based	10.00	10.00	Long Term	BWR C Issuer Not Cooperating* Downgraded	**BWR C- Issuer Not Cooperating* Downgrade**
Total	**10.00**	**Rs. 10.00 Crore (Rupees Ten Crores Only)**			

**Issuer Not Cooperating: Based on best available information*
1 Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
#Note: Details of Bank facilities are provided in Annexure I

RATING ACTION/OUTLOOK/NATURE OF NON-COOPERATION

In view of the non-availability of information and lack of cooperation from **Adilakshmi Enterprises,** Brickwork Ratings has downgraded the long term rating to **'BWR C-',** along with continuation of the rating in the **"Issuer Not Cooperating"** category, based on best available information as the Issuer did not cooperate.

The lenders/investors may note to exercise due caution while using the above rating which mentions **"Issuer Not Cooperating"** since the ratings lack any projections or forward looking component as it is arrived based on the best available information without any management/banker's interaction.
The rating was due for a review in March 2021. BWR took up with the firm to provide required information through telephone calls and letters. 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 firm's 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, 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 the possible deterioration in the credit quality of the rated firm arising from its non-transparency withholding of information required for a review of the rating.

About the firm per information available in October 2018

Adilakshmi Enterprises (ALE) was established as a proprietorship entity in 2005, Bhimavaram, West Godavari, Andhra Pradesh. The entity is engaged in trading of fish feed and prawn feed. The entity majorly sells fish feed like Shakthi, Spark, Spark plus, Profit, Noble, Grand, Rollking, Raise, Profit plus, pcf-1.6. The prawn majorly sells prawn feed like Indica-1, Indica-2, Indica-3, Indica-3p, Indica-4s, Hanaqua-1, Hanaqua-2, Hanaqua-3, Hanaqua-3p, Hanaqua-4s.

Key Financial Indicators

The firm has not provided any financial information to BWR for the previous two fiscal

Key Covenants of the facility rated: The terms of sanction include standard covenants normally stipulated for such facilities.

Status of non-cooperation with previous CRA – NA

RATING HISTORY FOR THE LAST THREE YEARS (Including Withdrawn/Suspended)

Sl. No.	Facilities	Current Ratings (2021)			Ratings History		
		Type	Amount (Rs. Cr)	Ratings^	(17.03.2020)	(2019)	(15.10.2018)
1	**Fund Based**	Long Term	10.00	**BWR C- Issuer Not Cooperating* Downgrade**	**BWR C Issuer Not Cooperating* Downgraded**	-	**BWR B+ Stable Assigned**
Total			**Rs. 10.00 Crore (Rupees. Ten Crores 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

- **General Criteria**
- **Approach to Financial Ratios**
- **Trading Entities**
- **What Constitutes Non-Cooperation**

For any other criteria obtain hyperlinks from website

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Adilakshmi Enterprises
ANNEXURE I
Details of Bank Facilities rated by BWR

Sl. No.	Type of Facilities	Long Term (Rs. Cr)	Short Term (Rs. Cr)	Total (Rs. Cr)
1	**Fund Based** Working Capital (V-Swadesh)	10.00	-	10.00
TOTAL - Rupees Ten Crores Only				**10.00**

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