



Rating Rationale

9 Sept 2020

ADISHAKTHI CONSTRUCTIONS

Brickwork Ratings has reviewed the ratings assigned to the bank loan facilities of Rs. 5.94 crore of the Adishakti Constructions., 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					
Secured Overdraft	2.20	2.20	Long Term	BWR B+ (Stable) Reaffirmed	BWR B/Stable Issuer Not Cooperating* Downgrade
Term Loan	0.74	0.74			
Non Fund Based					
Inland Bank Guarantee	3.00	3.00	Short Term	BWR A4 Reaffirmed	BWR A4 Issuer Not Cooperating Reaffirm
Total	5.94	Rs. 5.94 Crore (Rupees Five Crores and Ninety Four Lakhs Only)			

*Issuer Not Cooperating: Based on best available information

[^]Not Reviewed the outstanding ratings of BWR B+(Stable)/A4 on 21st May 2020.

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

#Note: Details of Bank facilities are provided in Annexure I

Rating downgraded/reaffirmed and migrated to ISSUER NOT COOPERATING* category

Nature of Non-Cooperation:

The ratings were due for a review in May 2020. Brickwork Ratings (BWR) took up with the firm to provide required information over emails and through telephone communication. Despite the best efforts of Brickwork Ratings to get at least the minimum required information for a review, the entity has not provided the same. Hence, the ratings were migrated to the 'Not Reviewed' category. In the absence of adequate information from the issuer and continued lack of management cooperation, Brickwork Ratings is unable to assess the issuer's financial performance and its ability to service its debt and maintain valid rating. The entity has not been submitting NDS to BWR. Based on inadequate information and continued lack of management cooperation, Brickwork Ratings has downgraded the long term rating to 'BWR B/Stable from BWR B+ (Stable), reaffirmed the short term rating of BWR A4 and simultaneously migrated to the 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 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 entity arising from its non-transparency withholding of information required for a review of the rating.

About the firm

Adishakthi Constructions (ASC) was established as a partnership firm in 1998, Nizamabad, Telangana. The firm is engaged in laying of roads by utilising hot mix plants, building works, civil, electrical and mechanical works and manufacturing and sale of metal stone. Mr. Nagesh Reddy N is the Managing Partner of the firm.

No financial information has been submitted to BWR over the last one year

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 (2020)			Ratings History		
		Type	Amount (Rs. Cr)	Ratings [^]	(21.05.2019)	(20.07.2018)	2017
1	Secured Overdraft (Fund Based)	Long Term	2.20	BWR B/Stable Issuer Not Cooperating* Downgrade	BWR B+ (Stable) Reaffirmed	BWR B+ (Stable) Assigned	NA
2	Term Loan (Fund Based)		0.74				
3	Inland Bank Guarantee (Non Fund Based)	Short Term	3.00	BWR A4 Issuer Not Cooperating* Reaffirm	BWR A4 Reaffirmed	BWR A4 Assigned	NA
Total			Rs. 5.94 Crore (Rupees Five Crores and Ninety Four Lakhs Only)				

[^]Not Reviewed the outstanding ratings of BWR B+ (Stable)/A4 on 21st May 2020.

* 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](#)
- [Approach to Financial Ratios](#)
- [Infrastructure Sector](#)
- [Short Term Debt](#)
- [What Constitutes Non-Cooperation](#)

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Adishakthi Constructions

Annexure I: Details of Bank Facilities rated

Sl. No.	Name of the Bank	Type of Facilities	Long Term (Rs. Cr)	Short Term (Rs. Cr)	Total (Rs. Cr)
1.	Union Bank of India (Andhra Bank)	Fund Based Secured Overdraft	2.20	-	2.20
		Fund Based Term Loan	0.74	-	0.74
		Non Fund Based Bank Guarantee	-	3.00	3.00
TOTAL - Rupees Five Crores and Ninety Four Lakhs Only					5.94



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About Brickwork Ratings : Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI], offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,400 medium and large corporates and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations. BWR has Canara Bank, a leading public sector bank, as one of the promoters and strategic partners. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

DISCLAIMER Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.