



RATING RATIONALE

Aadhar Industries.

20 May 2020

Brickwork Ratings downgrades the rating for the long term Bank Loan facilities of ₹ 7.97 Crore of Aadhar Industries (AI), based on best available information, as the issuer did not cooperate. Accordingly the rating for the said instrument is as under:

Particulars

Facility#	Amount (₹ Cr)		Tenure	Rating*	
	Previous	Present		Previous [^]	Present
				Feb, 2019	
Fund based					
Cash Credit	2.50	2.50	Long	BWR BB-	BWR B
Term Loan	5.47	5.47	Term	Stable	Stable
					<i>(Downgraded)</i>
					Issuer Not Cooperating;**
Total	7.97	7.97	₹ Seven Crore and Ninety Seven Lakhs Only		

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

#Details of Bank facilities are provided in Annexure-I

[^]Migrated to RNR Advisory on 12 February 2020

** Issuer did not cooperate; based on best available information

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

Brickwork Ratings has downgraded the rating for the long term bank loan facilities of Rs.7.97 Crs of **Aadhar Industries**, from BWR BB-, Stable to **BWR B, Stable**, and has simultaneously migrated the same to “**Issuer Not Cooperating**” category, based on best available information, as the Issuer did not cooperate.

The rating was due for a review in February 2020. BWR took up with the Firm and its bankers to provide the required information, over emails and through telephone calls. However, despite the best efforts of BWR to get at least the minimum required information for a review, neither the Firm nor its bankers have provided the same, and have also not shared the latest financials and other relevant information/documents required for a review. In the absence of adequate information for a review either from the Firm or from its bankers, BWR is unable to assess its financial performance, or its ability to service its debt and maintain a valid rating. Accordingly, the rating is placed under “Issuer Not Cooperating” category. The rating Downgrade is based on the lack of up to date information from the Firm, or from its lenders.

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

KEY FINANCIAL INDICATORS (in (₹ Cr) [AS AVAILABLE WITH BWR as on 31.03.2018]

Particulars	Units	FY 2018	FY 2017
Total Operating Income	₹ Cr	34.73	9.37
EBITDA	₹ Cr	2.97	2.69
PAT	₹ Cr	0.33	0.16
TNW	₹ Cr	5.68	3.88
Total Debt/TNW	Times	2.42	3.26
Current Ratio	Times	1.58	1.54

Firm's Profile (Information as available in February, 2019)

Aadhar Industries (AI) is a Guwahati, Assam based partnership firm established in 2010. The Firm is engaged in manufacturing Cement of Portland Pozzolana quality which is mainly used in General construction activity. The Firm commenced operations in July 2016. The manufacturing plant of the Firm is situated at Bamungaon Village, Assam with an installed capacity of 90,000 MTPA and the Firm sells its cement in the brand name of 'Holtech Cement'. The sales of the Firm are routed through more than 150 dealers situated across the state of Assam. The Firm procures clinkers from its suppliers mainly located in Meghalaya and sells it to various distributors in Assam. The Firm has six partners i.e. Mr. Shiwaji Prasad Jaiswal, Mr. Ganesh Sharma, Mr. Binod Keyal, Mr. Vaibhav Keyal, Mr. Mukesh Sureka and Mrs. Rashmi Sureka. They have a profit sharing ratio of 35:15:15:10:15:10 respectively.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY :NA

Rating History for the last three years (including withdrawn/suspended ratings)

S. No	Name of Instrument (NCD/Bank Loan /Non-Fund Based facilitates/ Commercial Paper etc.)	Current Rating 20.05.2020			Chronology of Rating History for the past 3 years (Rating Assigned and Press Release date) along with outlook/ Watch, if applicable																											
		Type(Long Term/Short Term)	Amount Outstanding (Rs. Crores)	Rating	Date(s) & Rating(S) assigned in 2019	Date(s) & Rating(s) assigned in 2018	Dates(s) & Rating(s) assigned in 2017																									
1	Bank Loan Facility-Long Term	FB-Cash Credit FB-Term Loan	2.50 5.47	BWR B Stable, Downgraded, Issuer Not Cooperating**	<table border="1"> <thead> <tr> <th colspan="2">11.02.2019</th> <th rowspan="4">BWR BB-/Stable, Upgraded, with reduction in rated amount</th> </tr> <tr> <th>Long Term</th> <th></th> </tr> </thead> <tbody> <tr> <td>Fund Based Cash Credit</td> <td>2.50</td> </tr> <tr> <td>Fund Based Term Loan</td> <td>5.47</td> </tr> <tr> <td>Total</td> <td>7.97</td> <td></td> </tr> </tbody> </table>		11.02.2019		BWR BB-/Stable, Upgraded, with reduction in rated amount	Long Term		Fund Based Cash Credit	2.50	Fund Based Term Loan	5.47	Total	7.97		-	<table border="1"> <thead> <tr> <th colspan="3">11.02.2019</th> </tr> <tr> <th>Long Term</th> <th></th> <th rowspan="4">BWR B+/Stable Assigned</th> </tr> </thead> <tbody> <tr> <td>Fund Based Cash Credit</td> <td>2.50</td> </tr> <tr> <td>Fund Based Term Loan</td> <td>7.07</td> </tr> <tr> <td>Total</td> <td>9.57</td> </tr> </tbody> </table>	11.02.2019			Long Term		BWR B+/Stable Assigned	Fund Based Cash Credit	2.50	Fund Based Term Loan	7.07	Total	9.57
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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

Aadhar Industries.

Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Tenure	Total [₹ Cr]
1.	Canara Bank	Cash Credit	Fund Based- long Term	2.50
2.		Term Loan		5.47
TOTAL				7.97

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