



Rating Rationale

Adarsh Global Trades & Services Pvt Ltd

30 July 2019

Brickwork Ratings has reviewed the ratings assigned to the bank loan facilities of Rs. 5.00 crore of Adarsh Global Trades & Services Pvt Ltd, based on best available information, as the issuer did not cooperate. Accordingly the ratings for the said bank loan facilities are downgraded to BWR B+ from BWR BB (Outlook:Stable) and migrated to the ISSUER NOT COOPERATING* category

Particulars

Facilities	Amount (Rs. Crs)		Tenure	Ratings ¹	
	Previous	Present		Previous	Present
Fund Based Cash Credit	5.00	5.00	Long Term	BWR BB <i>(Pronounced as BWR Double B)</i> Outlook: Stable	BWR B+ ISSUER NOT COOPERATING* <i>(Pronounced as BWR Single B Plus)</i> Downgraded and migrated to Issuer Not Cooperating* category
Non Fund Based Letter of Credit	-	-	Short Term	Withdrawn	-
Total	5.00	Rs. 5.00 Crore (Rupees.Five Crores Only)			

Note: Bank wise details of facilities are provided in Annexure I

*Issuer did not cooperate; Based on best available information

¹ Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Ratings downgraded and migrated to ISSUER NOT COOPERATING* category

Nature of Non-Cooperation:

The ratings were due for a Surveillance in April 2019. Brickwork Ratings (BWR) took up with the issuer 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 Surveillance, the entity has not provided the same. 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 ratings. Based on inadequate information and continued lack of management cooperation, Brickwork Ratings has downgraded the ratings to 'BWR B+' from BWR BB (Outlook: Stable) and simultaneously migrated to the ISSUER NOT COOPERATING* category.



Limitations of the ratings:

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 ratings 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 and withholding of information required for a review of the ratings.

Analytical approach

For arriving at its ratings, Brickwork Ratings has applied its ratings methodology as detailed in the Rating Criteria below (hyperlinks provided at the end of this rationale).

About the Company

Adarsh Global Trades & Services Pvt Ltd is engaged in the manufacturing MS Ingots and MS Rebars (Mild Steel).The company procures required Sponge iron, iron scrap from other mining and iron scrap traders.Mr. G. Bhaskara Rao is the Managing Director and Mr G Ramjee & Mr. Raveendra Sangapu are the Directors

Financial Performance

The company had reported a revenue of Rs. 283.13 crore for FY17. Subsequent financial information has not been shared with BWR.

Rating History for the last three years

Sl. No.	Facilities	Current Ratings (2019)			Ratings History		
		Type	Amount (Rs. Cr)	Ratings	2018 ¹ 5.04.2018	2017 ² (14.11.2017)	2016
1	Cash Credit	Long Term	5.00	BWR B+ ISSUER NOT COOPERATING* (Pronounced as BWR single B Plus) Downgraded and migrated to Issuer Not Cooperating* category	BWR BB (Pronounced as BWR Double B) (Outlook: Stable) Reaffirmed	BWR BB (Pronounced as BWR Double B) (Outlook: Stable) Assigned	-
2	Letter of Credit	Short Term	-	-	Withdrawn	BWR A4 (Pronounced as BWR A Four) Assigned	-
Total			Rs. 5.00 Crore (Rupees. Five Crores Only)				

1 Amount Rated: Rs. 5.00 Crore; 2. Amount Rated: Rs. 50 Crore;

* Issuer did not cooperate; Based on best available information



Note: An initial ratings of BWR BB (Outlook: Stable)/A4 for the Bank Loan Facilities of Rs.50.00 Crs was assigned on 14 November 2017.

Status of non-cooperation with other CRA: Not Applicable

Any other information: Not Applicable

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)
- [What Constitutes Non-Cooperation](#)

For any other criteria obtain hyperlinks from website

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Annexure I

Adarsh Global Trades & Services Pvt Ltd

Ravulapalem, Andhra Pradesh

Bank	Facilities	Tenure	Amount (Rs. Cr)
<p>Karur Vysya Bank Ltd Rajam branch,Erode road, Karur Tamil Nadu</p>	<p>Fund Based: Cash Credit</p>	Long Term	5.00
	<p>Non Fund Based: Letter of Credit</p>	Short Term	-
Total			5.00**

** As per information furnished to BWR in April 2018



For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf. Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner.

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.