

Rating Rationale

17 Mar 2020

Adilakshmi Enterprises

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

Particulars

Facilities [#]	Previous Rated Amount Rs. Crs	Present Rating Amount Rs. Crs	Tenure	Rating ¹	
				Previous Rating [^]	Present Rating [*]
Fund based					
Working Capital (V- Swadesh)	10.00	10.00	Long Term	BWR B+ Stable Assigned	BWR C Issuer Not Cooperating* Downgrade
Total	10.00	Rs. 10.00 Crore (Rupees Ten Crore Only)			

**Issuer Not Cooperating: Based on best available information*

^Not Review on 16th October 2019

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 downgraded and migrated to ISSUER NOT COOPERATING* category

Nature of Non-Cooperation:

The rating was due for a review in October 2019. Brickwork Ratings (BWR) took up with the entity 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 rating was 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 rating to ‘BWR C from BWR B+/Stable 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 Proprietorship Entity

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.

Mr. Venkata Reddy Goluguri is the proprietor.

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

Sl. No.	Facilities	Current Rating (2020)			Rating History		
		Type	Amount (Rs. Cr)	Rating	(16 th Oct 2019)	(15 th Oct 2018)	(2017)
1	Fund Based Working Capital (V-Swadesh)	Long Term	10.00	BWR C Issuer Not Cooperating* Downgrade	BWR B+ Stable Not Reviewed Reaffirmed	BWR B+ Stable Assigned	-
Total		Rs. 10.00 Crore (Rupees. Ten Crore 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

Hyperlink/Reference to applicable Criteria

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

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Adilakshmi Enterprises

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.	Vijaya Bank	Fund Based Working Capital (V-Swadesh)	10.00	-	10.00
TOTAL - Rupees Ten Crores Only					10.00



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