

RATING RATIONALE

25 Sep 2019

Adoratex

Brickwork Ratings reviews the ratings for the Bank Loan Facilities of ₹39.08 Crores of Adoratex, based on best available information, as the issuer did not cooperate.

Particulars

Facilities Aailed	Previous Rated (In Crs)	Amount Rated (In Crs)	Tenure	Previous Rating (Jan 2018)	Rating Assigned ^
Fund Based	13.08	13.08	Long Term	BWR BB+ (Pronounced as BWR Double B Plus) Stable	Reaffirmation of BWR BB+ (Pronounced as BWR Double B Plus) Stable *Issuer Non Cooperation
Non Fund Based	26.00	26.00	Short Term	BWR A4+ (Pronounced as Single A Four Plus)	Reaffirmation of BWR A4+ (Pronounced as Single A Four Plus) *Issuer Non Cooperation
Total	39.08	39.08	Rs.Thirty Nine Crores and Eight lakhs Only		

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

* Issuer did not cooperate, based on best available information.

Details of Bank facilities is provided in Annexure-I&II

RATING ACTION :Reaffirmation of BWR BB+/A4+ (stable outlook) under Issuer Non Cooperation.

The initial rating was done in Jan 2018 with rating assigned BWR BB+/A4+ (Outlook: Stable). Rating was due for a review in Jan 2019. BWR followed up with the issuer to provide required information over numerous emails. Despite the best efforts of BWR to get at least the minimum required business and financial information and documents for a review, the issuer has not provided the same. In the absence of adequate information from the issuer, BWR is unable to assess the issuer's financial performance and its ability to service its debt and maintain a valid rating. The issuer, Adoratex, did not cooperate for Rating for the bank loan facilities of Rs.39.08 Crs.



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.

KEY FINANCIAL INDICATORS [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY 16	FY 17
Result Type		Audited	Audited
Total Operating Income	Rs.in Crs	125.54	151.66
OPBDIT	Rs.in Crs	17.73	13.98
PAT	Rs.in Crs	9.30	6.66
Tangible Net Worth	Rs.in Crs	76.06	80.20
TOL/TNW	in Times	0.95	0.85
Current Ratio	in Times	1.94	1.96

COMPANY PROFILE

Adoratex formerly known as Rizwan Export House is one of the group concerns of Kasatex Home Furnishing Pvt limited (formerly known as Sheikh Bhullan and Sons). The firm was incorporated in 2000 as a proprietorship concern, by Mr.Rizwan Ansari. The firm manufactures and exports handmade rugs, carpets, and home furnishing products, made of wool, cotton, and leather. The firm is a 100 % export-oriented unit with majority of exports to the US and Europe.

The firm has production capacity of approx. 40000 sq mt per month and a processing unit situated in Bhadohi, which is the hub of Indian Carpet Industry and is responsible for processing, finishing, packaging, storage and logistics all under one roof.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY : NA

RATING HISTORY

Facilities Availed	Rating Assigned			Rating History			
	Amount to be Rated (In Crs)	Tenure	Rating Assigned	April 2019	Jan 2018	2017	2016
Fund Based	13.08	Long Term	BWR BB+ (Pronounced as BWR Double B Plus) Stable *Issuer Non Cooperation	Rating Not Reviewed	BWR BB+ (Pronounced as BWR Double B Plus) Outlook: Stable	NA	NA
Non Fund Based	26.00	Short Term	BWR A4+ (Pronounced as Single A Four Plus) *Issuer Non Cooperation		BWR A4+ (Pronounced as Single A Four Plus)	NA	NA
Total	39.08	Rs.Thirty Nine Crores and Eight lakhs Only					

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

Analytical Contacts	Investor and Media Relations
<p>Neha Jain Primary Analyst Phone:011-23412232 ,23413896 Extn: 114 neha.j@brickworkratings.com</p> <p>Ashwini Mital Director-Ratings Board: +91 172 5032295;+91 172 5032296 ashwinimital@brickworkratings.com</p>	<p>M : +91 7738875550 B : +91 22 6745 6666 investordesk@brickworkratings.com</p>

ANNEXURE I

Adoratex

Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1	Jammu and Kashmir Bank	CC	8.00	-	8.00
2		Term Loan	5.08	-	5.08
3		PC	-	14.00	14.00
4		Post Shipment Credit	-	12.00	12.00
TOTAL					39.08

Total Rs.Thirty Nine Crores and Eight lakhs Only

For print and digital media The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

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