Rating Rationale

Ashish Vessel Demolition Pvt. Ltd

08 Apr 2021

Brickwork Ratings has reviewed the Rating for the Bank Loan facilities of ₹ 30.00 Crore of Ashish Vessel Demolition Pvt. Ltd 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 (March 2020)	Present
Fund Based	(30.00)	**(30.00)**	Long Term	BWR B [Stable] Issuer not Cooperating*	**BWR B- [Stable] [Downgrade] Issuer not Cooperating***
Non-fund Based	30.00	**30.00**	Short Term	BWR A4 Issuer not Cooperating*	**BWR A4 [Reaffirmed] Issuer not Cooperating***
Total	30.00	**30.00**	Rupees Thirty Crores Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
Issuer did not cooperate; based on best available information

NATURE OF NON-COOPERATION

The rating was due for a review in March 2021. BWR took up with the client to provide the required information over emails and through telephone calls. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information/NDS (No Default Statements) from the Company on a regular basis, BWR is unable to assess the Company's financial performance and its ability to service its debt and maintain a valid rating.
Hence, on account of inadequate information and lack of management cooperation, Brickworks Ratings has downgraded the rating to BWR B- (Stable)/A4 and categorized the ratings as "Issuer Not Cooperating".

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

About the Company (Information as available in March, 2020)
Ashish Vessel Demolition Pvt Ltd was established in 2003 as a private limited company and is engaged in ship breaking business. The Company is promoted by Mr. Harikrishna B Agarwal and Mrs. Padma Agarwal, having experience of more than a decade in ship-breaking business in the Alang-Sosiya belt of Bhavnagar region of Gujarat. The Company is engaged in the business of ship-breaking activity through allotted plots at Alang Shipyard by Gujarat Maritime Board (GMB). The Company purchases ships directly from ship owners or through sales agents for recycling them. Items like electrical equipment, machine parts, etc. are sold directly to end users. While scrap is sold in the market to scrap traders and manufacturing units, who use the scrap to produce steel.

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

S.No	Facility	Current Rating (2021)			Rating History		
		Type	Amount (₹ Cr)	Rating	18 March 2020	2019	30 July 2018
1	Fund Based	Long Term	(30.00)	BWR B- [Stable] [Downgrade] Issuer not Cooperating*	BWR B [Stable] Issuer not Cooperating*	NA	BWR B [Stable]
2	Non Fund Based	Short Term	30.00	BWR A4 [Reaffirmed] Issuer not Cooperating*	BWR A4 Issuer not Cooperating*	NA	BWR A4
	Total		30.00	₹ Thirty Crores Only			

*Issuer did not cooperate; based on best available information
Initial Rating of BWR B+/A4 was assigned on 18 July 2017

Status of non-cooperation with previous CRA (if applicable)-Reason and comments

Any other information

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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Ashish Vessel Demolition Pvt. Ltd.

ANNEXURE I -

Details of Bank Facilities rated by BWR

Facility	Present Amount Rated (₹ Crs)	Tenure
Cash Credit - Ship Breaking	(6.50)	Long Term
Cash Credit - Trading	(7.00)	
Cash Credit - Factory Dismantling	(30.00)	
Total Fund Based Limit (Ceiling)	**(30.00)**	
ILC/FLC/ILG/FLG/BC - Ship Breaking	30.00	Short Term
ILC/FLC/ILG/FLG/BC - Trading	(30.00)	
Total Non-Fund Based Limit	**30.00**	
TOTAL	**30.00**	

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