



RATING RATIONALE

14-Feb-2020

Ashok Bricks Industries Pvt. Ltd.

Brickwork Ratings downgrades both the long and short term ratings for the Bank Loan facilities of Rs. 60.47 Crores of Ashok Bricks Industries Pvt. Ltd. (ABIPL) based on best available information, as the issuer did not cooperate.

| Facilities* | Amount (Rs.Crs) | | Tenure | Rating# | |
|-----------------------|-----------------|--------------|--|-------------------------|---|
| | Previous | Present | | Previous^ (Sept, 2018) | Present |
| Fund Based | 31.47 | 31.47 | Long Term | BWR BBB-, Stable | BWR BB, Stable, Downgraded, Issuer Not Cooperating** |
| Non Fund Based | 29.00 | 29.00 | Short Term | BWR A3 | BWR A4, Downgraded, Issuer Not Cooperating** |
| Total | 60.47 | 60.47 | Rs. Sixty Crores and Forty Seven Lakhs Only | | |

*Details of Bank loan facilities are provided in Annexure-I

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

^Rating migrated to 'Rating Not Reviewed' advisory on 4/9/19

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

RATING ACTION / NATURE OF NON-COOPERATION

BWR has downgraded the ratings for both the long term and short term bank loan facilities of ABIPL aggregating Rs. 60.47 crores to **BWR BB (Stable)/A4**, and has migrated both the ratings to "Issuer Not Cooperating" category based on best available information, as the Issuer did not cooperate.

The ratings were due for review in September 2019. In the absence of any information from the Company for the review, the ratings were placed under the 'Rating Not Reviewed' category on 4/9/19. BWR took up with ABIPL and their bankers through emails, to provide the required information for conducting a review of the ratings. However, despite the best efforts of BWR to get at least the minimum required information for a review, neither the company nor their bankers have provided the same.



Due to the continued lack of management cooperation, their non-submission of NDS since April 2019 and absence of feedback from their bankers, BWR is unable to assess the company's financial performance, or their ability to service their debt and maintain a valid rating. Thus, due to lack of management cooperation, and hence based on best available information, the outstanding ratings of the company have been downgraded, and 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 and withholding of information required for a review of the rating.

KEY FINANCIAL INDICATORS [As available with BWR till 3/9/18]

| Key Financial Indicators | Units | FY 16 | FY 17 |
|-------------------------------|-------|---------|---------|
| Result Type | | Audited | Audited |
| Operating Revenue | ₹ Crs | 84.08 | 104.90 |
| EBITDA | ₹ Crs | 10.94 | 16.47 |
| PAT | ₹ Crs | 3.79 | 5.73 |
| Tangible Net worth | ₹ Crs | 19.44 | 26.89 |
| Total Debt/Tangible Net worth | Times | 1.78 | 1.82 |
| Current Ratio | Times | 1.00 | 1.05 |

COMPANY PROFILE (As per information available till 2018)

ABIPL was incorporated in the year 1999, with its registered office at Belpahar, Jharsuguda, Odisha. It was engaged in civil construction of roads, over-bridges and other civil structures of government departments majorly within the States of Odisha, Jharkhand and Chhattisgarh. The Board of Directors comprised Mr Rahul Agarwal, Ms Shakuntala Agarwal and Ms Namrata Agarwal.



NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY:

CRISIL has moved the rating of Ashok Bricks Industries Pvt. Ltd. to “Issuer Not Cooperating” category on 14/11/19 due to non submission of information.

ICRA has moved the rating of Ashok Bricks Industries Pvt. Ltd. to “Issuer Not Cooperating” category on 27/11/19 due to non submission of information.

India Ratings and Research has moved the rating of Ashok Bricks Industries Pvt. Ltd. to “Issuer Not Cooperating” category on 24/5/18 due to non submission of information.

RATING HISTORY FOR THE PREVIOUS YEARS:

| Facilities | Current Rating (Feb 2020) | | | Rating History | | |
|----------------|---------------------------|-----------|---|-------------------|--|------------------|
| | Tenure | Amt(₹ Cr) | Rating | 2019 [^] | 2018 ^{^^} | 9-Feb-17 |
| Fund Based | Long Term | 31.47 | BWR BB, Stable, Downgraded, Issuer Not Cooperating* | - | 03-Sept- 2018 BWR BBB-, Stable, Reaffirmed | BWR BBB-, Stable |
| Non Fund Based | Short Term | 29.00 | BWR A4, Downgraded, Issuer Not Cooperating* | | 03-Sept- 2018 BWR A3, Reaffirmed | BWR A3 |
| Total | | 60.47 | Rs.Sixty Crores and Forty Seven Lakhs Only | | | |

[^] Migrated to ‘Rating Not Reviewed’ on 4/9/19

^{^^} Migrated to ‘Rating Not Reviewed’ on 28/5/18

* 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
- What constitutes Non-Cooperation

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ANNEXURE I

Ashok Bricks Industries Pvt. Ltd. Details of Bank Loan Facilities rated by BWR

| Sl.No. | Name of the Bank | Type of Facilities | Long Term [Rs. Crs] | Short Term [Rs. Crs] | Total [Rs. Crs] |
|--|---------------------|--------------------|---------------------|----------------------|-----------------|
| 1. | State Bank of India | Term Loan | 4.47 | - | 4.47 |
| | | Cash Credit | 24.00 | - | 24.00 |
| | | SLC | 3.00 | - | 3.00 |
| | | BG | - | 29.00 | 29.00 |
| TOTAL (INR Sixty Crores and Forty Seven Lakhs Only) | | | | | 60.47 |

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 Private limited (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empanelled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empanelled 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 Private Limited (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