

## RATING RATIONALE

30 Sept 2020

### AJ. Industries

**Brickwork Ratings downgrades the long term rating and reaffirms the short term rating for the Bank Loan Facilities ₹ 5.50 crores of AJ. Industries based on best available information, as under the issuer did not cooperate.**

### Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (September,2019)	Present
Fund Based					
Cash Credit - Sanctioned	02.90	02.90	Long Term	BWR B Stable	BWR B-Stable Downgraded Issuer Not Cooperating
Cash Credit - Proposed	00.30	00.30			
Term Loan - Sanctioned	00.05	00.05			
Non-Fund Based					
Letter of Credit -Sanctioned	01.45	01.45	Short Term	BWR A4	BWR A4 Reaffirmed Issuer Not Cooperating
Letter of Credit -Proposed	00.55	00.55			
Bank Guarantee -Sanctioned	00.25	00.25			
<b>Total</b>	<b>5.50</b>	<b>5.50</b>	<b>INR Five Crores and Fifty lakhs Only</b>		

# Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

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

### RATING ACTION/ OUTLOOK/NATURE OF NON-COOPERATION :

Brickwork Ratings downgrades long term rating and reaffirms the short term rating to BWR B-(Stable)/A4 Issuer not Cooperating from BWR B(Stable)/A4 for the Bank Loan Facilities ₹ 5.50 crores of AJ. Industries based on best available information as the client has not provided any paper/information. Therefore we have placed the Mandate under the issuer did not cooperate Category.

BWR had the initial rating in September,2019 as BWR B(Stable)/A4 for Bank Loan facility of Rs. 5.50crs. The rating was due for surveillance in September,2020. The firm was followed up for surveillance consistently to provide required information over emails and telephonically dated 1st September, 2nd, September, 7th,23rd September 2020.The Banker was followed up



over emails and telephonically dated 1st September, 2nd, September, 7th, 23rd September 2020. The company AJ. Industries did not cooperate and did not provide the documents and details for surveillance of rating of the bank loan facilities of Rs.5.50 crs. A final notice has been served as on 23rd September 2020. In the absence of adequate information from the Company, Brickwork Ratings 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, BWR has downgrades long term rating and reaffirms the short term rating to BWR B-(Stable)/A4 under the Issuer Not Cooperating category.

#### **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. 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.

#### **COMPANY PROFILE ( Information received as on September,2019)**

A J Industries was established as a partnership firm in 2010. It deals in fabrication for structures equipments, metallic & Non metallic joints, rail coach items, conveyors, ducting, pipeline tanks, star column weigh bridges. It provides a wide range of products with technological structures (star & star box columns, column and beam, built up beam & tie beams) and process equipments (C chutes, Air heater, dust collector)

#### **KEY FINANCIAL INDICATORS (in ₹ Cr) ( Information received as on September,2019)**

Key Parameters	Units	FY 18	FY 17
Result Type		Audited	Audited
Operating Revenue	₹ Crs	7.86	2.75
EBITDA	₹ Crs	0.57	0.49
PAT	₹ Crs	0.03	0.01
Tangible Networkth	₹ Crs	0.89	0.71
Total Debt / Tangible Networkth	Times	5.18	5.51
Current Ratio	Times	1.09	1.16

**NON-COOPERATION WITH OTHER RATING AGENCY :- NA**

**RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]**

Facilities	Current Rating			Rating History								
	Tenure	Amount (₹ Cr)	Rating	2019			2018			2017		
Fund Based	Long Term	3.25	BWR B-Stable Downgraded Issuer Not Cooperating	Long Term	3.25	BWR B Stable	-	-	-	-	-	-
Non Fund Based	Short Term	2.25	BWR A4 Reaffirmed Issuer Not Cooperating	Short Term	2.25	BWR A4						
Total		5.50	INR Five Crores and Fifty lakhs 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](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [Approach to Financial Ratio](#)
- [What constitutes Non cooperation](#)

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**ANNEXURE I**

**AJ. Industries**

**Details of Bank Facilities rated by BWR**

<b>Name of the Bank</b>	<b>Facilities</b>	<b>Type</b>	<b>Tenure</b>	<b>Total [₹ Cr]</b>
Uco Bank, Bhilai Branch	Cash Credit - Sanctioned Cash Credit - Proposed Term Loan - Sanctioned	Fund Based	Long Term	02.90 00.30 00.05
	Letter of Credit -Sanctioned Letter of Credit -Proposed Bank Guarantee -Sanctioned	Non Fund Based	Short term	01.45 00.55 00.25
INR Five Crores and Fifty lakhs Only				5.50

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