

M/s AK Construction Company

Brickwork Ratings downgrades the Long term ratings and reaffirms the Short Term Rating for the Bank Loan facilities of ₹ 27.99 crores of M/s AK Construction Company based on best available information, as the Issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (Mar, 2020)	Present*
Fund Based					
Cash Credit	8.00	8.00	Long Term	BWR BB- (Stable)	BWR B+ (Stable)
Overdraft	4.50	4.50		Downgraded	Downgraded
Term Loan	0.49	0.49		Issuer not Cooperating*	Issuer not Cooperating*
Non Fund Based					
Bank Guarantee	15.00	15.00	Short Term	BWR A4 Downgraded Issuer not Cooperating*	BWR A4 Reaffirmed Issuer not Cooperating*
Total	27.99	27.99	INR Twenty Seven Crores and Ninety Nine 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

RATING ACTION / OUTLOOK / NATURE OF NON COOPERATION

Downgraded the long term rating to BWR B+ (Stable) Issuer not Cooperating and reaffirmed the Short term rating to BWR A4 Issuer not Cooperating based on the best available information as the issuer did not cooperate.

BWR had initially rated Bank Loan facilities and assigned BWR BB- (Stable)/ A4 dated 19th Dec 2016. The rating was reaffirmed to BWR BB-(Stable)/A4 dated 13th Dec, 2017..The rating was upgraded to BWR BB(Stable)/A4+ on 13th Dec, 2018.The annual review of the rating was due. Further, Due to the non-availability of information to conduct annual review, Rating Not Reviewed Advisory was issued on 16th Dec, 2019. The rating then downgraded to BWR BB-(Stable)/ A4 Issuer Not cooperating on 18th Mar, 2020. BWR took up with the issuer to provide required information over emails and telephone calls. Despite the best efforts of BWR to get at least the minimum required information for a review, the concern has not provided the same. The concern had not provided the NDS since the initial rating. However, In the absence of adequate financial information from the company, BWR is unable to assess the entity’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, the rating is transferred to the “Issuer Not Cooperating” category by downgrading the rating of Bank Loan Facilities to **BWR B+ (Stable)/ A4.**

LIMITATIONS OF THE RATING

Information availability risk is the 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 (in ₹ Cr) [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY 18	FY 17
Result Type		Audited	Audited
Operating Revenue	Cr	76.80	59.21
EBITDA	Cr	6.93	4.34
PAT	Cr	4.07	1.95
Tangible Net Worth	Cr	16.37	10.84
Total Debt/TNW	times	1.87	1.87

COMPANY PROFILE

M/s A K Construction Company is a partnership firm established by Pathak Family in 2010 and since then the company is engaged in the business of civil construction. The company is based out in Varanasi, Uttar Pradesh. The company is undertaking projects from govt. Departments like PWD, PMGSY etc and from PSUs like sail. Majorly the company is into road construction.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NA

RATING HISTORY for last three years (including suspension and withdrawals)

Instrument / Facilities	Current Rating (2021)			Rating History		
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	18/03/2020	2019	13/12/2018
Fund Based Cash Credit Overdraft Term Loan	Long Term	8.00	BWR B+ (Stable) Downgraded Issuer not cooperating	BWR BB- (Stable) Downgraded Issuer not cooperating	-	BWR BB (Stable) Upgraded
		4.50				
		0.49				
Non Fund Based Bank Guarantee	Short Term	15.00	BWR A4 Reaffirmed Issuer not cooperating	BWR A4 Downgraded Issuer not cooperating	-	BWR A4+ Upgraded
Total		27.99	INR Twenty Seven Crores and Ninety Nine Lakhs Only			

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
M/s AK Construction Company
Details of Bank Facilities rated by BWR

Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
Fund Based Cash Credit Overdraft Term Loan	12.99	-	12.99
Non Fund Based Bank Guarantee	-	15.00	15.00
TOTAL			27.99

INR Twenty Seven Crores and Ninety Nine Lakhs Only

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