

RATING RATIONALE

Ajay Associates

Brickwork Ratings downgrades the long term rating and reaffirms the short term rating for the Bank Loan Facilities of Rs. 11.00 Crores of Ajay Associates based on the best available information as the issuer did not cooperate.

PARTICULARS

Facility Rated	Amount(Rs Crs)		Tenure	Rating#	
	Previous	Present		Previous (Feb, 2020)	Present
Fund Based	5.00	5.00	Long Term	BWR BB-Stable Assigned	BWR B+ Stable Downgrade Issuer non Cooperation
Non Fund Based	6.00	6.00	Short Term	BWR A4 Assigned	BWR A4 Reaffirm Issuer non cooperation
Total	11.00	11.00	Rupees Eleven Crores 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

In view of non- availability of information and lack of cooperation from the company, Brickwork Ratings has downgraded the long term rating and reaffirmed the short term rating to 'BWR B+/A4: Issuer Not Cooperating' with a stable outlook for the bank loan facilities amounting to Rs. 11.00 Crs for M/S Ajay Associates.

The lenders/investors may note to exercise due caution while using the above ratings which mentions "Issuer Not Cooperating" since the ratings lack any projections or forward looking component as it is arrived based on the best available information without any management/banker's interaction.

The rating was due for a review. BWR took up with the firm to provide required information over emails and through telephone calls. Despite the best efforts of BWR to get at least the minimum required information for review, BWR could not get the necessary information. In the absence of adequate information from the issuer, BWR is unable to assess the firm's financial performance and its ability to service its debt and maintain a valid rating.



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 rating should therefore take into account 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 (Rs Cr) [AS AVAILABLE WITH BWR]

The company has not submitted the financial statements to Brickwork Ratings for the last year for review of ratings.

COMPANY PROFILE (As per information available)

Ajay Associates was established in 1995 at Gorakhpur, Uttar Pradesh, as a proprietorship concern owned and managed by Mr. Ajay Kumar Singh who is a graduate and carrying rich business experience of almost two decades in the same line of business. Ajay Associates is engaged in civil work construction through government tender and other allied activities for several government and public works departments in Uttar Pradesh.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: CRISIL B/ Stable under issuer non-cooperation for Rs. 5 Crores on 05 March 2020.

RATING HISTORY

(Rating History of last three years including withdrawn or suspended rating)

Instrument / Facilities	Current Rating			Rating History*		
	Tenure	Amount (Rs Cr)	Rating	19.02.2020	2019	2018
Fund Based	Long Term	5.00	BWR B+ Stable Downgrade Issuer non cooperation	BWR BB- Stable Assigned	--	--
Non Fund Based	Short Term	6.00	BWR A4 Reaffirmed Issuer non cooperation	BWR A4 Assigned	--	--
Total		11.00	INR Eleven Crores Only			

*RNR on 22.02.2021.

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

Ajay Associates

Details of Bank Facilities rated by BWR

S.No.	Type of Facilities	Long Term [Rs Cr]	Short Term [Rs Cr]	Total [Rs Cr]
1)	Fund Based Cash Credit	5.00	--	5.00
2)	Non Fund Based Bank Guarantee	--	6.00	6.00
TOTAL				11.00

Total Rupees Eleven Crores Only



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