RATING RATIONALE

26 Apr 2021

Ajay Kumar Sood Engineers & Contractors

Brickwork Ratings has revised the long term rating and reaffirmed the short term rating for the Bank Loan Facilities of ₹. 12.27 Crores of Ajay Kumar Sood Engineers & Contractors based on the 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	4.47	**4.47**	Long Term	BWR B+(Stable) [Assigned]	**BWR B(Stable) [Downgraded] Issuer Not Cooperating***
Non-fund Based Bank Guarantee	7.80	**7.80**	Short Term	BWR A4 [Assigned]	**BWR A4 [Reaffirmed] Issuer Not Cooperating***
Total	**12.27**	**12.27**	**INR Twelve crores and twenty seven lakhs only**		

Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
* Issuer did not cooperate, based on the best available information.
Details of Bank facilities provided in Annexure-I

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

BWR had initially assigned a rating of BWR B+(Stable)/A4 for the bank loan facilities on 21.03.2020. The rating was due for review in Mar, 2021. BWR took up with the issuer consistently to provide required information over emails apart from telephonic communication, but no response was received from the client.. The company has also not submitted the NDS. Further, as per banker's feedback dated 15.04.2021, operations of the account are satisfactory and conduct of account is standard and regular.

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 from the firm, 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, 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 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 IN JAN, 2019]

Key Parameters	Units	FY 2019	FY 2018
Result Type		**Audited**	**Audited**
Operating Income	₹ Cr	17.96	12.45
EBIDTA	₹ Cr	2.00	1.43
PAT	₹ Cr	1.01	0.16
Tangible Networth	₹ Cr	4.67	4.09
TOL : TNW	Times	1.22	2.27
Current Ratio	Times	1.63	1.78

COMPANY PROFILE (As available with BWR in Mar, 2020)
Ajay Kumar Sood Engineers & Contractors is a partnership firm having its registered office at Sanjay Sadan, Shimla, Himachal Pradesh. The firm has three partners Mr. Sanjay Kumar Sood (40%), Mr. Jay Kumar Sood (30%) and Ms. Rama Sood (30%). The firm is engaged in Civil Construction works such as construction and maintenance of roads, walls, buildings etc. The firm majorly undertakes government contracts from the government of Himachal Pradesh.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: Not Applicable

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

Facilities	Current Rating			Rating History		
	Tenure (Long Term/ Short Term)	**Amount (₹ Cr)**	**Rating**	**21 Mar 2020**	**2019**	**2018**
Fund Based Cash Credit	**Long Term**	4.47	**BWR B (Stable) Downgraded "Issuer Not Cooperating"**	BWR B+ (Stable) [Assigned]	--	--
Non-fund Based Bank Guarantee	**Short Term**	7.80	**BWR A4 Reaffirmed Issuer Not Cooperating"**	BWR A4 [Assigned]	--	--
Total		**12.27**	**INR Twelve crores and twenty seven 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]
- [Short Term Debt]

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ANNEXURE I

Shree Shyam Roadlink Pvt. Ltd.

Details of Bank Facilities rated by BWR

Sl. No.	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1.	**Fund Based** Cash Credit	4.47	-	**4.47**
2.	**Non-fund Based** Bank Guarantee	-	7.80	**7.80**
TOTAL				**12.27**

Total Rupees Twelve crores and twenty seven lakhs only.

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