

**RATING RATIONALE**

**M/s Ak Construction Company**

**Brickwork Ratings revises the ratings for the Bank Loan Facilities of ₹ 27.99 Crores 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 (Dec, 2018)	Present*
<b>Fund Based</b> Cash Credit Overdraft Term Loan	8.00 4.50 0.49	8.00 4.50 0.49	<b>Long Term</b>	<b>BWR BB (Stable) Upgraded</b>	<b>BWR BB- (Stable) Downgraded Issuer not Cooperating*</b>
<b>Non Fund Based</b> Bank Guarantee	15.00	15.00	<b>Short Term</b>	<b>BWR A4+ Upgraded</b>	<b>BWR A4 Downgraded Issuer not Cooperating*</b>
<b>Total</b>	<b>27.99</b>	<b>27.99</b>	<b>INR Twenty Seven Crores and Ninety Nine 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.

Details of Bank facilities is provided in Annexure-I

**RATING ACTION / OUTLOOK / NATURE OF NON COOPERATION**

BWR had initially rated Bank Loan facilities and assigned BWR BB- (Stable)/A4 dated 19th Dec, 2016. The rating was then reaffirmed on 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. 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 entity, 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 long term rating of Bank Loan Facilities to BWR BB- (Stable) and downgrading the short term rating to BWR 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

Instrument / Facilities	Current Rating (2020)			Rating History		
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	16/12/2019	13/12/2018	13/12/2017
<b>Fund Based</b> Cash Credit Overdraft Term Loan	<b>Long Term</b>	8.00 4.50 0.49	<b>BWR BB-(Stable) Downgraded Issuer not cooperating</b>	<b>Rating Not Reviewed</b>	<b>BWR BB (Stable) Upgraded</b>	<b>BWR BB-(Stable) Reaffirmed</b>
<b>Non Fund Based</b> Bank Guarantee	<b>Short Term</b>	15.00	<b>BWR A4 Downgraded Issuer not cooperating</b>	<b>Rating Not Reviewed</b>	<b>BWR A4+ Upgraded</b>	<b>BWR A4 Reaffirmed</b>
<b>Total</b>		<b>27.99</b>	<b>INR Twenty Seven Crores and Ninety Nine Lakhs Only</b>			

\*BWR had initially rated BWR BB-(Stable)/A4 for Rs. 25.84 Cr on 19th Dec, 2016

## 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 Ratios](#)
- [What Constitutes Non-Cooperation](#)

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**ANNEXURE I**

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

<b>Name of the Bank</b>	<b>Type of Facilities</b>	<b>Long Term [₹ Cr]</b>	<b>Short Term [₹ Cr]</b>	<b>Total [₹ Cr]</b>
<b>Punjab National Bank</b>	<b>Fund Based</b>	12.99	-	<b>12.99</b>
	<b>Non Fund Based</b>	15.00		<b>15.00</b>
<b>TOTAL</b>				<b>27.99</b>

**INR Twenty Seven Crores and Ninety Nine Lakhs Only**

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**DISCLAIMER** Brickwork Ratings (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