



## RATING RATIONALE

11 Feb 2020

### Arcon Project Pvt. Ltd.

Brickwork Ratings revises the Rating for the Bank Loan facilities of ₹ 30.70 Crore of Arcon Project Pvt Ltd. (APPL) based on best available information, as the issuer did not cooperate.

#### Particulars

Facility	Amount (₹ Cr)		Tenure	Rating*		
	Previous	Present		Previous		Present
				March, 2018	June, 2019	
Fund based	17.70	17.70	Long Term	BWR BB- Stable	Rating Not Reviewed	Issuer Not Cooperating; BWR B+ Stable (Downgraded)
Non-Fund based	13.00	13.00	Short Term	BWR A4		Issuer Not Cooperating; BWR A4 (Reaffirmed)
<b>Total</b>	<b>30.70</b>	<b>30.70</b>	<b>₹ Thirty Crores and Seventy 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

In view of the non availability of the information and lack of cooperation from the issuer, Brickwork Ratings has downgraded the long term term rating from BWR BB- stable to BWR B+ stable, Issuer Not Cooperating and reaffirmed the short term rating of BWR A4 Issuer Not Cooperating for the bank loan facilities amounting to Rs 30.70 Crs of **Arcon Project Pvt. Ltd.**

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

The rating was due for a review in March 2019. BWR took up with the issuer 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 a review, the entity has not provided the same. In the



absence of adequate information from the company, BWR 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, Brickworks Ratings has downgraded the long term rating from BWR BB- Stable to BWR B+ Stable, Issuer Not Cooperating and reaffirmed the short term rating of BWR A4, Issuer Not Cooperating.

#### **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.

#### **KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE WITH BWR]**

Particulars	Units	FY 2017	FY 2016
Net Sales/Revenues	₹ Cr	61.63	36.21
EBIDTA	₹ Cr	5.98	3.47
PAT	₹ Cr	2.09	0.91
Tangible Net Worth	₹ Cr	14.11	9.02
Total Debt/ TNW	Times	0.98	1.46
Current Ratio	Times	1.52	1.20

#### **Company's Profile (Information as available in March, 2018)**

Arcon Projects Private Limited (APPL) was incorporated in 2011 in Patna. APPL is an infrastructure development company. The company is managed by Mr. Arjun Singh and Mr Jai .N.Mehra. The company is involved in various infrastructure development activities like construction of residential & commercial spaces (malls) and is also involved in other infrastructural development projects like Oxy Cutting & Transportation , construction of roads, buildings and bridges.

#### **NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY :NIL**

**Rating History for the last three years (including withdrawn/suspended ratings)**

S.No	Facility	Current Rating (January, 2020)			Rating History	
		Type (Long Term/ Short Term)	Amount (₹ Cr)	Rating^	June, 2019	Mar, 2018
1.	Fund Based	Long Term	17.70	Issuer Not Cooperating; BWR B+ Stable (Downgraded)	Rating Not Reviewed	BWR BB- Stable
2.	Non Fund Based	Short Term	13.00	Issuer Not Cooperating; BWR A4 (Reaffirmed)		BWR A4
<b>Total</b>			<b>30.70</b>	<b>₹ Thirty Crores and Seventy Lakhs Only</b>		

**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](#)

For any other criteria obtain [hyperlinks](#) from website

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### Annexure I

#### Arcon Project Pvt. Ltd.

#### Details of Bank Facilities rated by BWR

Sl.No	Name of the Bank	Type of Facilities	Tenure	Total [₹ Cr]
1	State Bank of India	OCC	Fund Based- long term	3.55
2.		Term Loan		4.15
3.		Asset Backed Loan		10.00
4.		Bank Guarantee	Non Fund Based- short term	13.00
<b>TOTAL</b>				<b>30.70</b>

**For print and digital media** The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.



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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