



Rating Rationale

Arun Agriculture

22 May 2018

Brickwork Ratings has reviewed the Rating for the Bank Loan facilities of ₹ 7.50 Crore of Arun Agriculture based on best available information, as the issuer did not cooperate. Accordingly the rating for the said instrument is Downgraded to BWR B (Outlook:Stable)/ BWR A4 on ISSUER NOT COOPERATING.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating*		
	Previous	Present		Initial (May, 2014)	Previous (Dec2016)	Present
Fund based Cash Credit	2.50	2.50	Long Term	BWR B+ (Outlook: stable)	Rating Not Reviewed	Issuer did not Cooperate; BWR B (Outlook:Stable) (Pronounced as BWR Single B) (Downgraded)
Non Fund Based Bank Guarantee	5.00	5.00	Short Term	BWR A4		Issuer did not Cooperate; BWR A4 (Pronounced as BWR A Four) (Reaffirmed)
Total	7.50	7.50	(₹ Seven Crores and Fifty Lakhs Only)			

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
Issuer did not cooperate; based on best available information

Ratings: Downgraded

Nature of Non-co-operation: The rating was due for a review in May 2015. BWR took up with the issuer to provide required information over emails dated October 05, 2017, October 25, 2017 and December 18, 2017 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.

22 May 2018



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.

About the Company (Information as available in May, 2014)

Arun agriculture was established in 1996 and registered office is located at Deopuri, Raipur. The firm is an authorized dealer of Mahindra and Mahindra for Tractors and agricultural equipments. It deals with different models of Tractors ranging from 15HP to 60 HP. On an average between 39HP to 42 HP tractors are sold more. The company has branch office at Durg and have 8 service outlets. Out of eight service outlets, six outlets are owned and 2 outlets are rented. The firm market presence is in Durg, Rajnandgaon, Gariaband and Balod districts of Chhattisgarh.

Rating History for the last three years (including withdrawn/suspended ratings)

S.No	Facility	Current Rating (2018)			Rating History		
		Type	Amount (₹ Cr)	Rating^	26.12.2016	2015	9.5.2014
	Fund Based	Long Term	2.50	BWR B (Pronounced as BWR B) (Outlook:Stable) (Downgraded)	Ratings Not Reviewed	Not Rated	BWR: B+ (Outlook: Stable)
	Non Fund Based	Short Term	5.00	BWR A4 (Pronounced as BWR A Four) Reaffirmed		Not Rated	BWR A4
	Total		7.50	₹ Seven Crores and Fifty Lakhs Only			

^Issuer did not cooperate; based on best available information

Status of non-cooperation with previous CRA:-CRISIL suspended ratings of Crisil BB-/A4+ on October 03, 2016

Any other information :Nil

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)

Arun Agriculture Annexure I

Particulars	Units	2013	2012
Result Type		Audited	Audited
Net Sales/Revenues	₹ Cr	74.49	66.49
EBIDTA	₹ Cr	1.01	1.04
PAT	₹ Cr	0.29	0.16
Tangible Networth	₹ Cr	1.56	1.63
Total Debt : TNW	Times	2.50	2.45
Current Ratio	Times	1.10	1.10

Note: As per information available with BWR

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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.



About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 10,00,000 Cr. In addition, BWR has rated over 6300 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹24,440 Cr have been rated.

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.