

RATING RATIONALE

27 Feb 2020

Arun Agro Combine

Brickwork Ratings Revises and downgrades the long term rating for the Bank Loan Facilities ₹ 5.75 crores of Arun Agro Combine based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (May, 2018)	Present
Fund Based Cash Credit	2.00	2.00	Long Term	BWR B- (Stable) Issuer Not Cooperating	BWR C (Downgraded) Issuer Not Cooperating*
Non Fund Based Bank Guarantee	3.75	3.75	Short Term	BWR A4 Issuer Not Cooperating	BWR A4 (Reaffirmed) Issuer Not Cooperating
Total	5.75	5.75	INR Five Crores Seventy Five Lakhs Only		

Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

* Issuer did not cooperate, based on best available information.

RATING ACTION/ OUTLOOK/NATURE OF NON-COOPERATION :

Brickwork Ratings Downgrades the Long Term rating to BWR C/A4 from BWR B-(Stable)/A4 for the Bank Loan Facilities ₹ 5.75 crores of **Arun Agro Combine** based on best available information since the client did not submit any documents and details, as the issuer did not cooperate.

BWR has assigned the rating of BWR B-(Stable)/A4 in **May,2018**. The rating was due for surveillance in **May,2019**. The firm was being followed up for surveillance dated 6th June 2019, 13th January, 14th January, 24th February 2020 for its rating but no information has been received despite close follow up. The concern Arun Agro Combine did not cooperate for review of rating for the bank loan facilities of Rs.5.75 Crs. In the absence of adequate information from the Company, Brickwork Ratings 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 , BWR has downgraded the rating BWR C/A4 under the Issuer Not Cooperating category.

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) (Information received as on May,2014)

Key Parameters	Units	FY 14	FY 13
Result Type		Audited	Audited
Operating Revenue	₹ Crs	49.17	39.33
EBITDA	₹ Crs	0.38	0.59
PAT	₹ Crs	0.42	0.11
Tangible Networkh	₹ Crs	1.76	0.84
Total Debt / Tangible Networkh	Times	3.26	5.90
Current Ratio	Times	1.19	1.07

COMPANY PROFILE (Information received as on May,2014)

M/s Arun Trade Combine was established in the 2012 and registered office is located at Deopuri, Raipur. Firm is authorized dealer of Mahindra and Mahindra for Tractors and agricultural equipments. Firm deals with different models of Tractors ranging from 15HP to 60 HP. On an average between 39HP to 42 HP tractors are sold more.

NON-COOPERATION WITH PREVIOUS RATING AGENCY :- NA

RATING HISTORY

Facilities	Current Rating			Rating History		
	Tenure	Amount (₹ Cr)	Rating	2019	2018	2017
Fund Based	Long Term	2.00	BWR C (Downgrade) Issuer Not Cooperating*	-	BWR B- (Stable) Issuer Not Cooperating	-
Non Fund Based	Short term	3.75	BWR A4 (Reaffirmed) Issuer Not Cooperating		BWR A4 Issuer Not Cooperating	
Total		5.75	INR Five Crores Seventy Five Lakhs Only			

* Issuer did not cooperate. Based on best available information

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 Ratio](#)
- [What constitutes Non cooperation](#)

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ANNEXURE I

**Arun Agro Combine
Details of Bank Facilities rated by BWR**

Sl.No.	Name of the Bank	Facilities	Type	Tenure	Total [₹ Cr]
1.	Bank of Baroda, Main Branch, Raipur	Cash Credit	Fund Based	Long Term	2.00
2.		Bank Guarantee	Non Fund Based	Short term	3.75
INR Five Crores Seventy Five Lakhs Only					5.75

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