

Arun Construction

Brickwork Ratings has revised/reaffirmed the Ratings for the Bank Loan facilities of ₹ 16.30 Crores of Arun Construction based on best available information, as the issuer did not cooperate.

Particulars

Facilities	Amount (₹ Crores)		Tenure	Rating#	
	Previous	Present		Previous (November, 2019)	Present
Fund Based	3.30	3.30	Long Term	BWR BB- (Stable) Upgraded	BWR B+ (Stable) Downgraded Issuer Non Cooperation
Non-fund Based	13.00	13.00	Short Term	BWR A4 Reaffirmed	BWR A4 Reaffirmed Issuer Non Cooperation
Total	16.30	16.30	Sixteen Crores and Thirty Lakhs Only		

#Please refer to BWR website 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

Downgraded the long term rating to BWR B+ (Issuer Not Cooperating) with Stable Outlook and reaffirmed the short term rating at BWR A4 (Issuer Not Cooperating) based on best available information as the issuer did not cooperate.

The rating was due for a review in November, 2020. BWR took up with the issuer to provide required information over emails and through telephone calls. Despite the best efforts of BWR to get 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. BWR has Downgraded the long term rating to BWR B+ (Stable) (Issuer Not Cooperating) and reaffirmed the short term rating at 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 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.

COMPANY PROFILE [As available on 04 November, 2020]

M/s Arun Constructions was established on 08.02.2006 as a proprietorship concern of Mr. Arun Kumar and is in the business of Engineering Procurement and Construction. The firm is a certified and registered AA Class contractor and also is a renowned civil contractor of the entire region. Mr. Arun Kumar is having more than a decade experience in this line which helps the firm to grow steadily. The firm is registered in various government departments, like Municipal corporation and Nagar nigam of Rampur, Bijnor and Amroha. The firm majorly executes irrigation projects and barrage constructions in Uttar Pradesh and Uttarakhand. In FY19 the firm completed contracts amounting Rs.67.89 Cr. with total revenue of Rs.50.04 Cr. And currently the firm has contracts in hand amounting Rs.99.76 Cr.

KEY FINANCIAL INDICATORS (in INR Cr) [As available on 04 November, 2020]

Key Parameters	Units	2019	2018
Result Type		Audited	Audited
Total Operating Income	₹ Cr	50.04	23.05
EBITDA	₹ Cr	4.80	1.75
PAT	₹ Cr	4.49	1.71
Tangible Net Worth	₹ Cr	9.17	5.15
Total Debt/Tangible Net Worth	Times	0.42	0.37
Current Ratio	Times	1.21	1.58

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY

NA

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

Facilities	Current Rating (Feb, 2021)			Rating History		
	Type (Long Term/ Short Term)	Amount (₹ Cr)	Rating	2020	Oct, 2019	May, 2018
Fund Based	Long Term	3.30	BWR B+ Stable Downgraded Issuer Not Cooperating	-	BWR BB- Stable Upgrade	BWR B+ Stable
Non Fund Based	Short Term	13.00	BWR A4 Reaffirmed Issuer Not Cooperating	-	BWR A4 Reaffirmed	BWR A4
Total		16.30	₹ Sixteen Crores and Thirty 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 Ratios](#)
- [What Constitutes Non-Cooperation](#)

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ANNEXURE I

Arun Construction

Details of Bank Facilities rated by BWR

Sl.No.	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1.	Cash Credit	1.50	-	1.50
2.	Term Loan	1.80	-	1.80
3.	Cash Credit	13.00	-	13.00
TOTAL				16.30

Total Rupees Sixteen Crores and Thirty Lakhs Crores Only.



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