

RATING RATIONALE

24 Feb 2021

Arun Engineering Projects Pvt Ltd

Brickwork Ratings downgrades the long term rating while reaffirms the short term rating for the Bank Loan Facilities of Rs. 15.00 Crs of Arun Engineering Projects Pvt Ltd based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (Rs. Crs.)		Tenure	Rating#	
	Previous	Present		Previous (Nov 2019)	Present
Fund Based	2.50	2.50	Long Term	BWR B+/Stable	BWR B/Stable (Downgraded) Issuer Not Cooperating*
Non Fund Based	12.50	12.50	Short Term	BWR A4	BWR A4 (Reaffirmed) Issuer Not Cooperating*
Total	15.00	15.00	Rupees Fifteen Crores 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

In view of the non-availability of the information, non-submission of monthly No Default Statement as per regulatory requirements and lack of management cooperation, Brickwork Ratings has downgraded the long term rating to 'BWR B/Stable ISSUER NOT COOPERATING' while reaffirmed the short term rating at BWR A4 ISSUER NOT COOPERATING for the bank loan facilities amounting to Rs. 15.00 Crs of Arun Engineering Projects Pvt Ltd.

The lenders may note to exercise due caution while using the above ratings, which mentions "ISSUER NOT COOPERATING" since the ratings lack any projections of a forward looking component as it is arrived based on the best available information on the firm without any management/ banker's interaction.

The rating was due for a review in Nov 2020. BWR took up with the issuer to provide required information over emails (latest dated 2.12.2020, 25.1.2021 and 9.2.2021) 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 issuer, BWR is unable to assess the issuer's financial performance and its ability to service its debt and maintain a valid rating.

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.

COMPANY PROFILE

Arun Engineering Projects P Ltd (AEPPL) was reconstituted as a private limited company on 26th May, 1998 which was initially established as a proprietorship firm during 1972 by late Mr. R A Harry at Bangalore. The company is engaged in providing engineering, procurement and construction services in the water supply and underground drainage water system segment to government departments and PSUs in the region of Karnataka. The management is constituted by three directors, namely Mr. Arun John Greig, Mr. Rajendran Pillai Vincent and Mr. H Ronald Theiban. All the directors are professionally qualified and have business experience of more than 2 decades. The company procures its materials from suppliers located within Bangalore.

NON-COOPERATION WITH PREVIOUS RATING AGENCY: CRISIL B/Stable/CRISIL A4 ISSUER NOT COOPERATING as on July 16, 2020.

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

Facilities	Current Rating (2021)			Rating History		
	Tenure	Amount (Rs. Crs.)	Rating	2020	7.11.2019	30.7.2018
Fund Based	Long Term	2.50	BWR B/Stable (Downgraded) Issuer Not Cooperating*	-	BWR B+/Stable	BWR BB-/Stable
Non Fund Based	Short Term	12.50	BWR A4 (Reaffirmed) ISSUER NOT COOPERATING*	-	BWR A4	BWR A4
Total		15.00	Rupees Fifteen Crores Only			

Note: The ratings moved to Not Reviewed Advisory in July 2019 and Nov 2020. On 15 Feb 2021, due to lack of information a rating advisory was published.

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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Arun Engineering Projects Pvt Ltd

ANNEXURE I

Details of Bank Facilities rated by BWR

Type of Facilities	Long Term (Rs. Crs.)	Short Term (Rs. Crs.)	Total (Rs. Crs.)
Cash Credit	2.50	-	2.50
Bank Guarantee	-	12.50	12.50
Total			15.00

Rupees Fifteen Crores Only



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