

RATING RATIONALE

23 July 2020

Arun Steel Agencies

Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of ₹19.50 Crores of Arun Steel Agencies based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous July 2018	Present
Fund based	19.50	19.50	Long Term	BWR B+ (Stable) Issuer Not Cooperating *	BWR B+ (Stable) (Reaffirm) Issuer Not Cooperating*
Total	19.50	19.50	INR Nineteen 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.

Details of Bank facilities is provided in Annexure-I&II

RATING ACTION

In view of the non-availability of the information and lack of cooperation from the issuer, Brickwork Ratings has reaffirmed the rating to 'BWR B+ (Stable), Issuer Not Cooperating', for the bank loan facilities amounting to Rs. 19.50 Crores of Arun Steel Agencies

OUTLOOK / NATURE OF NON-COOPERATION

The rating was due for a review in July, 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 concern has not provided the same. In the absence of adequate information from the concern, BWR is unable to assess the concern'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 recommends to continue the rating under Issuer Non Cooperating category by reaffirming the rating of the Bank loan facilities of BWR B+ (Stable).

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, non-cooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress.

KEY FINANCIAL INDICATORS

The concern has not provided any financial information to BWR for three years.

COMPANY PROFILE

Arun Steel Agencies was established in the year 1994 as a proprietorship concern by Mr. V C Arunai Vadivelan in Chennai, Tamil Nadu. The concern is engaged in trading of steel wire rod coils.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: Nil

RATING HISTORY FOR THE LAST 3 YEARS (including withdrawn and suspended)

Facilities	Current Rating (2020)			Rating History		
	Tenure	Amount (₹ Cr)	Rating	2019	Jul, 2018	Jan, 2017
Fund Based	Long Term	19.50	BWR B+ (Stable) (Reaffirm) Issuer Not Cooperating *	-	BWR B+ (Stable) Issuer Not Cooperating *	BWR BB- (Stable)
Total		19.50	INR Nineteen Crores and Fifty Lakhs Only			

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [Approach to Financial Ratios](#)
- [General Criteria](#)

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ANNEXURE I

Arun Steel Agencies

Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1.	Canara Bank	Cash Credit	9.50	-	9.50
2.	ICICI Bank	Overdraft	10.00	-	10.00
TOTAL					19.50

Total Rupees Nineteen Crores and Fifty Lakhs only.

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