



Rating Rationale

Arun Steel Agencies

3 July 2018

Brickwork Ratings has reviewed the Rating assigned to the bank loan facilities of Rs.19.50Cr. based on best available information, as the issuer did not cooperate. Accordingly the rating for the said instrument is revised and downgraded to BWR B+ ISSUER NOT COOPERATING*

Particulars

Facility Rated#	Amount(Rs. Crs)		Tenure	Rating ##	
	Previous	Present		Previous January 2017	Present
Fund Based	19.50	19.50	Long Term	BWR BB - (Pronounced as BWR Double B Minus) Outlook : Stable	BWR B+ (Pronounced BWR Single B Plus) ISSUER NOT COOPERATING* (Downgraded) Outlook : Stable
Total	19.50	19.50	(Rupees Nineteen Crores and Fifty Lakh Only)		

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

* Issuer did not cooperate; Based on best available information

Long Term Rating Downgraded

Nature of Non-co-operation:

The rating was due for a review in January 2018. BWR took up with the issuer to provide required information over emails and through telephonic communication. 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 issuer, BWR is unable to assess the issuer'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 co-operation, Brickwork Ratings has revised and downgraded the ratings to BWR B+ 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 rating 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.

About the Concern

Arun Steel Agencies (ASA) was established in the year 1994 as a proprietorship concern by Mr. V C Arunai Vadivelan. The concern engaged in trading of steel wire rod coils.

Rating History for the last three years (including withdrawn/suspended ratings)

Sl. No	Instrument /Facility	Current Rating (June 2018)			Rating History		
		Type	Amount (Rs. Crs)	Rating	January 2017	2016	2015
1	Fund Based	Long Term	19.50	BWR B+ ISSUER NOT COOPERATING Downgraded Outlook : Stable	BWR BB- Outlook : Stable	---	---
Total			19.50	Rupees Nineteen Crores and Fifty Lakhs Only			

* Issuer did not cooperate; Based on best available information

Status of non-cooperation with previous CRA: Not Applicable.

Any other information : NA

Hyperlink/Reference to applicable Criteria / Policies

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)
- [What Constitutes Non-cooperation](#)



ARUN STEEL AGENCIES

ANNEXURE - I

Particulars	Units	2015	2016
Net Sales/revenue	Rs in Crs	130.36	110.02
EBIDTA	Rs in Crs	3.85	3.93
PAT	Rs in Crs	1.83	2.01
Tangible Networkth	Rs in Crs	3.86	3.96
Total Debt : TNW	Times	5.17	5.09
Current Ratio	Times	1.20	1.23

Note : As per the 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, 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 leading public sector 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, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated



debt instruments/bonds/bank loans, securitized paper of over ₹ 11,99,663 Cr. In addition, BWR has rated over 6819 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹48,803 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.