

## RATING RATIONALE

31 March 2020

### Arunima Constructions

Brickwork Ratings downgrades the long term rating and reaffirms the short term rating for the Bank Loan facilities of ₹ 6.00 Crores of Arunima Constructions based on best available information, as the issuer did not cooperate.

#### Particulars

Facility	Amount (₹ Crores)		Tenure	Rating*	
	Previous	Present		Previous (June, 2018)	Present
Fund Based Cash Credit	1.50	1.50	Long Term	BWR B Stable	BWR B- Stable Downgraded Issuer Not Cooperating*
Non Fund Based Bank Guarantee	4.50	4.50	Short Term	BWR A4	BWR A4 Reaffirmed Issuer Not Cooperating*
<b>Total</b>	<b>6.00</b>	<b>6.00</b>	<b>INR Six Crores Only</b>		

#Please refer to BWR website [www.brickworkratings.com/](http://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

The Long term rating of the Bank Loan Facilities have been downgraded to BWR B-/Stable and short term rating have been reaffirmed to BWR A4 of Arunima Constructions as the issuer did not cooperate.

#### OUTLOOK / NATURE OF NON-COOPERATION

BWR had rated Bank Loan facilities of Arunima Constructions. The initial rating was done on 28 June 2018 with rating assigned as BWR B(Stable)/A4. The Surveillance review was due in June, 2019. The rating then moved to Rating Not Reviewed on 30 September 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 the minimum required information for a review, the entity has not provided the same. BWR has been regularly seeking No Default Statement (NDS) from the entity, but the entity has not provided NDS. In the absence of adequate information from the entity, BWR is unable to assess the entity'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. 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.

**KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE WITH BWR in June, 2018]**

Key Parameters	Units	FY 16	FY 17
Result Type		Audited	Audited
Operating Revenue	Cr	5.97	6.29
EBITDA	Cr	0.55	0.88
PAT	Cr	0.42	0.47
TNW	Cr	0.54	0.54
(Total Debt/TNW)	times	1.95	4.36

**FIRM PROFILE [As available with BWR in June, 2018]**

Incorporated in 2010, Arunima Constructions (AC) is a proprietorship concern based in Lucknow and is engaged in construction of roads and bandhs for the government of Uttar Pradesh. Major work done in Eastern Uttar Pradesh. It is a class AA contractor.

**NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: Not Known**

**Any other information: Not Available**

## RATING HISTORY

Instrument /Facility	Current Rating (February, 2020)			2019	Rating History	
	Type (Long Term/ Short Term)	Amount (₹ Cr)	Rating		June, 2018	2017
<b>Fund Based</b> Cash Credit	Long Term	1.50	<b>BWR B- Stable Downgraded Issuer Not Cooperating*</b>	-	BWR B Stable	-
<b>Non Fund Based</b> Bank Guarantee	Short Term	4.50	<b>BWR A4 Reaffirmed Issuer Not Cooperating*</b>	-	BWR A4	
<b>Total</b>		<b>6.00</b>	<b>INR Six Crores Only</b>			

\*Issuer did not cooperate; based on best available information

## COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://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

### Arunima Constructions 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.	Bank of Baroda	Fund Based Cash Credit	1.50	-	1.50
2.	Bank of Baroda	Non Fund Based Bank Guarantee	-	4.50	4.50
<b>TOTAL</b>					<b>6.00</b>

**Total Six Crores Only**

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