



## RATING RATIONALE

27 Oct 2020

### S S Chauhans Construction Pvt. Ltd.

Brickwork Ratings Revises the Long Term rating and reaffirms the short term rating for the Bank Loan Facilities of ₹. 11.98 Crores of S S Chauhans Construction Pvt. Ltd. based on the best available information, as the issuer did not cooperate.

#### Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (Aug' 2019)	Present
<b>Fund Based</b>	4.98	4.98	Long Term	<b>BWR B+ (Stable) [Reaffirmed]</b>	<b>BWR B [Downgraded] ‘Issuer Not Cooperating’*</b>
<b>Non-fund Based</b>	7.00	7.00	Short Term	<b>BWR A4 [Reaffirmed]</b>	<b>BWR A4 [Reaffirmed] “Issuer Not Cooperating”*</b>
<b>Total</b>	<b>11.98</b>	<b>11.98</b>	<b>INR Eleven crores and ninety eight lakhs 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 provided in Annexure-I

#### RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

The long term rating has been downgraded to BWR B (Stable) and the short term rating has been reaffirmed at BWR A4 for the Bank Loan Facilities of the company under the ‘Issuer Not Cooperating’ category, based on the below said updates.

BWR had initially assigned a rating of BWR B+ (Stable) / A4 for the bank loan facilities on 24 Apr' 2014. The rating was again reaffirmed on 10 Aug' 2015, 09 May' 2017, 20 July' 2018 and 09 Aug' 2019. The rating was due for review in Aug, 2020. BWR took up with the issuer consistently to provide required information over emails apart from telephonic communication. Monthly No Default Statement (NDS) is not being submitted by the client. Further, as we are unable to reach the banker, present conduct of account is not available with us.

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 firm, BWR is unable to assess the firm'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]**

Key Parameters	Units	FY 2018	FY 2017
Result Type		Audited	Audited
Operating Income	₹ Cr	32.25	31.78
EBIDTA	₹ Cr	3.87	2.26
PAT	₹ Cr	1.65	1.84
Tangible Networth	₹ Cr	4.52	3.98
Total Debt : TNW	Times	1.67	0.80
Current Ratio	Times	1.15	1.12

**COMPANY PROFILE (As available with BWR in Aug, 2019)**

Based in Jahu, Himachal Pradesh, SS Chauhans Construction Pvt Ltd was operating as a proprietorship firm named Sandeep Chauhan (Government Contractor) until March 2017. The firm got reconstituted as a private limited company on March 31, 2018. The company is involved in the execution of government contracts mainly for construction of roads, bridges, etc. As on June 30, 2019, the company has an order book position of Rs.125.25 crs to be executed by FY 21 as communicated by management.. The company is a Class A contractor in the Public works Department. Mr. Sandeep Chauhan is the Managing Director and Sanjay Chauhan is the Director.

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

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

Facilities	Current Rating			Rating History		
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	09 Aug, 2019	20 July, 2018	09 May, 2017*
Fund Based	Long Term	4.98	BWR B (Stable) [Downgraded] “Issuer Not Cooperating”	BWR B+ (Stable) [Reaffirmed]	BWR B+ (Stable) [Reaffirmed]	BWR B+ (Stable) [Reaffirmed]
Non fund Based	Short Term	7.00	BWR A4 [Reaffirmed] “Issuer Not Cooperating”	BWR A4 [Reaffirmed]	BWR A4 [Reaffirmed]	BWR A4 [Reaffirmed]
Total		<b>11.98</b>	<b>INR Eleven crores and ninety eight lakhs only</b>			

\*On 14 Aug, 2015; the rating was reaffirmed at BWR B+ (Stable)/A4.  
On 24 Apr, 2014; the rating assigned was BWR B+ (Stable)/A4.

**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](#)
- [Short Term Debt](#)

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## ANNEXURE I

### S S Chauhans Construction Pvt. Ltd.

#### 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.	Punjab National Bank	Fund Based	4.98	-	4.98
		Non Fund Based	-	7.00	7.00
<b>TOTAL</b>					<b>11.98</b>

**Total Rupees Eleven crores and ninety eight lakhs only.**

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**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.

