

Rating Rationale

Ajay Engicone Pvt Ltd

Brickwork Ratings downgrades the long term ratings and reaffirms the short term ratings for the Bank Loan facilities aggregating Rs. 10.25 Crores of Ajay Engicone Pvt Ltd (“The Company”), while retaining the ratings in the “Issuer Not Cooperating” category, based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating*	
	Previous	Present		Previous (Oct, 2019)	Present
Fund based	1.25	1.25	Long Term	BWR B-, Outlook: Stable, Downgraded, ISSUER NOT COOPERATING*	BWR C, Downgraded, ISSUER NOT COOPERATING*
Non Fund Based	9.00	9.00	Short Term	BWR A4, Reaffirmed, ISSUER NOT COOPERATING*	BWR A4, Reaffirmed, ISSUER NOT COOPERATING*
Total	10.25	10.25	INR Ten Crores and Twenty Five Lakhs Only		

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

^^Details of Bank facilities are provided in Annexure-I

*Issuer did not cooperate; based on best available information

RATING ACTION / NATURE OF NON-COOPERATION

BWR has **downgraded** the rating of the long term bank loan facilities of Ajay Engicone Pvt Ltd (“The Company”) to **BWR C** from BWR B-, Stable and has reaffirmed the short term rating at **BWR A4** for the bank loan facilities offer the aggregate amount of Rs. 10.25 Crores, and has retained the rating in the “**Issuer Not Cooperating**” category, based on best available information, as the Issuer did not cooperate.

The ratings were due for review in Oct 2020. BWR took up with the issuer and its bankers through emails and telephone calls, to provide the required information for conducting a review of



the ratings. However, despite the best efforts of BWR to get at least the minimum required information for a review, neither the company nor its banker have provided the same, nor has it provided its latest financials. The company has also not been submitting the NDS in the recent past.

Due to the continued lack of management cooperation on the part of the company to provide adequate information for a review despite follow up, coupled with its non-submission of NDS, BWR is unable to assess the company's financial performance and its ability to service its debt and maintain a valid rating. Accordingly, the ratings have been retained in the “Issuer Not Cooperating” category. The rating downgrade / reaffirmation is based on the information in the public domain with another CRA relating to uncertainty about the company's debt repayment capability coupled with lack of up to date feedback on the performance of the company and specific information on the asset classification of its accounts - either from the company itself, or from its banker.

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. 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.

About the Company (Information shared at the last review of Jul, 2018)

Ajay Engicone Pvt. Ltd. was incorporated on 17th of March 1997. The Company has its registered office in Morabadi, Ranchi. It is engaged in the construction of Canals, Dams, Check-dams, Bridges and Roads in the states of Jharkhand and Bihar. It works mainly for RCD, RWD and WRD by participating in online tendering and also works for semi-government bodies like NTPC, RITES etc. The Company was promoted by Late Mathura Prasad Singh and Ajay Kumar Singh. Mathura Prasad Singh had more than 40 years of experience in the present business and Ajay Kumar Singh has around 14 years of experience in the current business.

KEY FINANCIAL INDICATORS [AS AVAILABLE WITH BWR as on Jul, 2018]:

Key Financial Indicators	Units	FY 2017	FY 2016
Result Type		Audited	Audited
Net Sales/Revenues	₹ Cr	17.40	15.00
EBITDA	₹ Cr	1.55	1.81
PAT	₹ Cr	0.86	0.83
Tangible Net Worth	₹ Cr	11.96	11.17
Total Debt/Tangible Net Worth	Times	0.19	0.23

Current Ratio	Times	2.36	2.74
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NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY: Yes (Rated by ICRA at ICRA D, ISSUER NOT COOPERATING , Rationale Dated :23 June 2020)

RATING HISTORY- for the last three years (Including withdrawn/suspended ratings)

S.No	Name of Instrument (NCD/Bank Loan /Non-Fund Based facilities/ Commercial Paper etc.)	Current Rating 11.Feb.2021			Chronology of Rating History for the past 3 years (Rating Assigned and Press Release date) along with outlook/ Watch, if applicable					
		Type (Long Term/Short Term)	Amount Outstanding (Rs. Crores)	Rating	Date(s) & Rating(S) assigned in 2020		Date(s) & Rating(s) assigned in 2019 [^]		Dates(s) & Rating(s) assigned in 2018	
1	Bank Loan Facility	FB-LT#	1.25	BWR C, Downgraded, ISSUER NOT COOPERATING*	25.Oct..2019			04.July.2018		
					FB-LT#	1.25	BWR B-, Outlook: Stable, Downgraded, ISSUER NOT COOPERATING*	FBLT#	1.25	BWR B, Outlook: Stable
					NFB-ST#	9.00	BWR A4, Reaffirmed, ISSUER NOT COOPERATING*	NFB-ST##	9.00	BWR A4
					Total	10.25		Total	10.25	
								#Assigned		



	NFB - ST# #	9.00	BWR A4, Reaffirmed, ISSUER NOT COOPERATING*			
Total		10.25	INR Ten Crores and Twenty Five Lakhs Only			

*Issuer did not cooperate; based on best available information

#Fund Based, ##Non Fund Based

^Rating migrated to 'Rating Not Reviewed' advisory on 05 Jul 2019

COMPLEXITY LEVELS OF THE INSTRUMENTS

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

Any other information

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)

For any other criteria obtain hyperlinks from website

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ANNEXURE I

Vineet Oils Pvt Ltd

Details of Bank Facilities rated by BWR

Sl.No.	Type of Facilities	Long Term [Rs. Crs]	Short Term [Rs. Crs]	Total [Rs. Crs,]
1.	Cash Credit	1.25	-	1.25
2.	Bank Guarantee	-	9.00	9.00
Total				10.25

Note: As per information shared at the last review of Jul, 2018 with BWR

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