



## RATING RATIONALE

25 Oct 2019

### Ajay Engicone Pvt Ltd

**Brickwork Ratings has Reviewed the ratings for the Bank Loan Facilities of Rs. 10.25 Crs. of Ajay Engicone Pvt Ltd based on the best available information, as the issuer did not cooperate.**

Instruments / Facilities**	Amount (Rs.Crs)		Tenure	Rating#		
	Previous	Present		Previous		Present
				July, 2018	July, 2019	
Fund based	1.25	1.25	Long Term	BWR B (Pronounced as BWR B) Outlook: Stable	Rating Not Reviewed	BWR B- (Pronounced as BWR B Minus) Outlook: Stable Downgrade Issuer Not Cooperating*
Non Fund based	9.00	9.00	Short Term	BWR A4 (Pronounced as BWR A Four)		BWR A4 (Pronounced as BWR A four) Reaffirmed Issuer Not Cooperating*
<b>Total</b>	<b>10.25</b>	<b>10.25</b>	<b>Rs. Ten Crores and Twenty Five 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 is provided in Annexure-I

### RATING ACTION: Downgraded and Reaffirmed

In view of the non-availability of the information and lack of cooperation from the company, Brickwork Ratings has downgraded the long-term rating to BWR B- (Outlook: Stable); Issuer not Cooperating and reaffirmed the short term rating of BWR A4 "Issuer not Cooperating", for the bank loan facilities amounting to Rs. 10.25 Crores of Ajay Engicone Pvt Ltd.

The lenders may note to exercise due caution while using the above ratings which mentions "Issuer Not Cooperating" since the ratings lack any projections or forward-looking components as it is arrived based on the best available information on the company without any management interaction.



The rating was due for a review on July 2019. BWR took up with the company to provide the required information over emails and through telephone calls. Despite the best efforts of BWR to get at least the minimum required information for review, the entity has not provided the same. In the absence of adequate information from the Company, BWR is unable to assess the Company'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 the required information for a review of the assigned rating may also be accompanied by financial stress.

### KEY FINANCIAL INDICATORS [AS AVAILABLE WITH BWR]

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

### COMPANY PROFILE (Information as available in 2018)

Ajay Engicone Pvt. Ltd. (AEPL) was incorporated on 17th of March 1997. AEPL 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. AEPL 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.

### NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY : NA

### RATING HISTORY FOR THE PREVIOUS THREE YEARS

Instrument / Facilities	Current Rating			Rating History	
	Tenure (Long Term/ Short Term)	Amount (Rs.Crs.)	Rating	July, 2019	July, 2018
Fund Based	Long	1.25	BWR B- (Pronounced as BWR B Minus) Outlook: Stable Downgraded Issuer Not Cooperating	Rating Not Reviewed	BWR B (Pronounced as BWR B) Outlook: Stable
Non Fund Based	Short	9.00	BWR A4 (Pronounced as BWR A Four) Reaffirmed Issuer Not Cooperating		BWR A4 (Pronounced as BWR A Four)
Total		10.25	Rs. Ten Crores and Twenty-Five Lakhs Only		

### 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](#)
- [Service Sector](#)
- [Short Term Debt](#)

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## ANNEXURE I

### Ajay Engicone Pvt Ltd

#### Details of Bank Loan Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [Rs. Crs]	Short Term [Rs. Crs]	Total [Rs. Crs,]
1.	<b>Bank of India</b>	Cash Credit	1.25	-	1.25
2.		Bank Guarantee	-	9.00	9.00
<b>TOTAL Rupees Eleven Crores only</b>					10.25

#### For print and digital media

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

#### 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.

#### DISCLAIMER

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