

Press Release

Armstrong (India) Construction

January 15, 2020

Rating Update



| | |
|-------------------------------------|---|
| Total Bank Facilities Rated* | Rs. 25.00 Cr. # |
| Long Term Rating | ACUITE B (Downgraded from ACUITE B+ /Stable) Issuer not co-operating* |
| Short Term Rating | ACUITE A4 Issuer not co-operating* |

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

Acuite has downgraded the long-term rating to '**ACUITE B**' (read as **ACUITE B**) from '**ACUITE B+**' (read as **ACUITE B plus**) on the Rs. 7.00 crore bank facilities of Armstrong (India) Construction (AIC).

Further, Acuite has reviewed the short-term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs. 18.00 crore bank facilities of AIC.

The rating is now an indicative rating and is downgraded on account of information risk.

Mumbai based Armstrong (India) Construction is a proprietorship concern, promoted by Mr. Raju Solanki. The firm primarily operates as a civil contractor for the construction of roads, storm water drainage, sewerage projects and buildings. The firm caters to government entities like the BMC (Brihanmumbai Mahanagar Corporation) which is Mumbai's city municipal corporation. AIC is a registered class 1-A contractor with PWD and AA grade contractor with BMC.

Non-cooperation by the issuer/borrower

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-51.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuite endeavored to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr.) | Ratings/Outlook |
|--------------|---------------------------------|------------|------------------|--------------------------------|
| 14-Nov-2018 | Cash Credit | Long Term | 7.00 | ACUITE B+/ Stable (Reaffirmed) |
| | Bank Guarantee | Short Term | 17.00 | ACUITE A4 (Reaffirmed) |
| | Proposed Bank Facility | Short Term | 1.00 | ACUITE A4 (Assigned) |
| 22-Sept-2017 | Cash Credit | Long Term | 2.00 | ACUITE B+ (Indicative) |
| | Bank Guarantee | Short Term | 8.00 | ACUITE A4 (Indicative) |
| 27-June-2016 | Cash Credit | Long Term | 2.00 | ACUITE B+/ Stable (Assigned) |
| | Bank Guarantee | Short Term | 8.00 | ACUITE A4 (Assigned) |

#Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Cr.) | Ratings |
|------------------------|------------------|----------------|----------------|-----------------------------|---|
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 7.00 | ACUITE B (Downgraded from ACUITE B+/Stable) Issuer not co-operating* |
| Bank Guarantee | Not Applicable | Not Applicable | Not Applicable | 17.00 | ACUITE A4 Issuer not co-operating* |
| Proposed Bank Facility | Not Applicable | Not Applicable | Not Applicable | 1.00 | ACUITE A4 Issuer not co-operating* |

*The issuer did not co-operate; Based on best available information.

Contacts

| Analytical | Rating Desk |
|--|---|
| Aditya Gupta Head - Corporate and Infrastructure Sector Ratings Tel: 022-49294041 aditya.gupta@acuite.in Priyal Jain Analyst - Rating Operations Tel: 022-49294043 priyal.jain@acuite.in | Varsha Bist Manager - Rating Desk Tel: 022-49294011 rating.desk@acuite.in |

About Acuité Ratings & Research:

Acuité Ratings & Research Limited (erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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