

Press Release

Arvind & Rajan Constructions

August 01, 2018



Rating Update

| | |
|---------------------------------------|--|
| Total Bank Facilities Rated* | Rs. 8.30 Cr. |
| Long Term Rating (Indicative) | ACUITE BB Issuer not co-operating* |
| Short Term Rating (Indicative) | ACUITE A4+ Issuer not co-operating* |

Refer Annexure for details

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

Rating Rationale

Acuite` has reviewed long-term rating of '**ACUITE BB**' (**read as ACUITE double B**) and short-term rating of '**ACUITE A4+**' (**read as ACUITE A four plus**) on the Rs. 8.30 crore bank facilities of Arvind & Rajan Constructions. This rating is now an indicative rating and is based on best available information.

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 the due date.

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

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Infra Entities - <https://www.acuite.in/criteria-infra.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:

Established in 2009-Arvind and Rajan Constructions (ARC) is a Bangalore based proprietorship firm headed by Mr. Arvind Gopalakrishnan engaged in the business of construction of residential and commercial building works including civil, sanitary and electrical work.

The firm has reported Profit After Tax (PAT) of Rs 0.26 cr on operating income of Rs 12.39 cr in FY2015-16 compared to PAT of Rs 0.11cr on operating income of Rs 15.69 cr in the previous year.

Rating History for the last three years:

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr.) | Ratings/Outlook |
|----------------------------|---------------------------------|------------|------------------|-----------------------------|
| 17 th July'2017 | Proposed Term Loan | Long Term | 0.80 | ACUITE BB/Stable (Assigned) |
| | Cash Credit | Long Term | 2.50 | ACUITE BB/Stable (Assigned) |
| | Bank Guarantee | Short Term | 2.50 | ACUITE A4+ (Assigned) |
| | Proposed Bank Guarantee | Short Term | 2.50 | 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 |
|-------------------------|------------------|----------------|----------------|-----------------------------|--|
| Proposed Term Loan | Not Applicable | Not Applicable | Not Applicable | 0.80 | ACUITE BB Issuer not co-operating* |
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 2.50 | ACUITE BB Issuer not co-operating* |
| Bank Guarantee | Not Applicable | Not Applicable | Not Applicable | 2.50 | ACUITE A4+ Issuer not co-operating* |
| Proposed Bank Guarantee | Not Applicable | Not Applicable | Not Applicable | 2.50 | ACUITE A4+ Issuer not co-operating* |

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

Contacts

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|--|---|
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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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