

**Press Release**

**Agrawal Global Infratech Private Limited**

**December 20, 2019**

**Ratings**

<b>Instrument / Facility</b>	<b>Amount (Rs. Crore)</b>	<b>Ratings</b>	<b>Rating Action</b>
Long Term Fund based facilities- Cash Credit	2.50	IVR BB+/Stable; ISSUER NOT COOPERATING* (IVR Double B Plus with Stable outlook; Issuer Not Cooperating category)	Rating revised from IVR BBB- (IVR Triple B Minus) with Stable Outlook and moved to ISSUER NOT COOPERATING Category
Long Term Fund based facilities- Bank Guarantee	18.50	IVR BB+/Stable; ISSUER NOT COOPERATING* (IVR Double B Plus with Stable outlook; Issuer Not Cooperating category)	Rating revised from IVR BBB- (IVR Triple B Minus) with Stable Outlook and moved to ISSUER NOT COOPERATING Category
Short Term Bank Facilities – Bank Guarantee	5.00	IVR A4+; ISSUER NOT COOPERATING* (IVR A Four Plus; Issuer Not Cooperating)	Rating revised from IVR A3 (IVR A Three) and moved to ISSUER NOT COOPERATING Category
<b>Total</b>	<b>26.00</b>		

*\*Issuer did not cooperate; based on best available information*

**Details of Facility are in Annexure 1**

**Detailed Rationale**

The rating downgrade is because of lack of adequate information regarding Agrawal Global Infratech Private Limited (AGIPL)'s performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

**Non-cooperation by Issuer**

Infomerics has been regularly following up with the company to provide the required data including FY19 (A) results to monitor its assigned rating to the bank facilities, vide E-mail communications dated September 09, 2019, November 01, 2019, November 25, 2019 and December 10, 2019 and concurrently over several phone calls. However, despite repeated

requests by Infomerics, the company's management has not submitted the essential details and fees for the surveillance exercise.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long- term ratings for the bank loan facilities aggregating to Rs.21.00 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB+/Stable: Issuer Not Co-operating; Based on best available information. (IVR Double B plus/Stable: Issuer Not Co-operating; Based on best available information) and short-term ratings for the bank facilities aggregating to Rs.5.00 crore of Agrawal Global Infratech Private Limited shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR A4+: Issuer Not Co-operating; Based on best available information. (IVR A Four Plus: Issuer Not Co-operating; Based on best available information).

Accordingly, the lenders, investors and other users of this ratings are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

### **Analytical Approach & Applicable Criteria**

Financial Ratios & Interpretation – (Non-financial Sector)

Guidelines on what constitutes Non-Cooperation by clients

### **About the Company**

Agrawal Global Infratech Private Limited was incorporated in January, 2017 to take over the business of M/s. Agrawal Infrastructure, a proprietorship entity, with effect from 1st April, 2017. M/s. Agrawal Infrastructure was set up by Mr. Rakesh Agrawal in January, 2011. M/s. Agrawal Infrastructure was involved in the business of construction of roads, highways, bridges and building as a direct contractor. All the assets and liabilities of the entity were taken over by the company by virtue of a takeover agreement executed on April 1, 2017. The Company has expertise in construction of roads, highways, bridges, and building with construction material, reinforced earth & earthwork. Currently, the company undertakes the work orders in the state of Jharkhand, Odisha and Chhattisgarh. The company is registered as Class" A" contractor under the Public Works Department, Chhattisgarh.

**Financials (Standalone)**

**(Rs. Crore)**

The financial parameters furnished below are those of the proprietorship firm for FY17 for the private limited company for FY18:

For the year ended* / As On	(Rs. crore)	
	31-03-2017	31-03-2018
	Audited	Audited
Total Operating Income	84.03	104.06
EBITDA	13.56	17.31
PAT	8.36	5.88
Total Debt	19.78	19.49
Tangible Net worth	8.22	15.87
EBITDA Margin (%)	16.14	16.63
PAT Margin (%)	9.89	5.63
Overall Gearing Ratio (x)	2.41	1.23

\*Classification as per Infomerics' standards.

**Status of non-cooperation with previous CRA: Nil**

**Any other information: Nil**

**Rating History for last three years:**

S. No.	Name of Instrument/Facilities	Current Rating (Year 2019-20)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18	Date(s) & Rating(s) assigned in 2016-17
1.	Long Term Fund based facilities- Cash Credit	Long Term	2.50	IVR BB+/Stable Outlook (IVR Double B Plus with Stable Outlook) ISSUER NOT COOPERATING	IVR BBB-/Stable Outlook (IVR Triple B minus with Stable Outlook) (October 04, 2018)	--	--
2.	Long Term Fund based facilities- Bank Guarantee	Long Term	18.50	IVR BB+/Stable Outlook (IVR Double B plus with Stable Outlook) ISSUER NOT COOPERATING	IVR BBB-/Stable Outlook (IVR Triple B minus with Stable Outlook) (October 04, 2018)	--	--

3.	Short Term Bank Facilities-Bank Guarantee	Short Term	5.00	IVR A4+ (IVR A Four Plus) ISSUER NOT COOPERATING	IVR A3 (IVR A Three) (October 04, 2018)	--	--
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**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).

**Name and Contact Details of the Rating Analyst:**

Name: Ms. Harshita Didwania Tel: (033) 46022266 Email: <a href="mailto:hdidwania@infomerics.com">hdidwania@infomerics.com</a>	Name: Mr. Avik Podder Tel: (033) 46022266 Email: <a href="mailto:apodder@infomerics.com">apodder@infomerics.com</a>
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**About Infomerics:**

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company’s long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an ‘as is where is’ basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

**Annexure 1: Details of Facility**

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Fund based facilities-Cash Credit	-	-	-	2.50	IVR BB+/Stable Outlook ISSUER NOT COOPERATING*
Long Term Non Fund based facilities – Bank Guarantee	-	-	-	18.50	IVR BB+/Stable Outlook ISSUER NOT COOPERATING*

# Infomerics Valuation And Rating Pvt. Ltd.



Short Term bank facilities – Bank Guarantee	-	-	-	5.00	IVR A4+ ISSUER NOT COOPERATING
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