



## Press Release

### Amar Infrastructure Limited

**December 01, 2023**

#### Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Bank Facilities	25.00	IVR BB; Negative; ISSUER NOT COOPERATING * (IVR Double B with Negative outlook; ISSUER NOT COOPERATING)	Revised from IVR BB+ (IVR Double B Plus) with negative outlook and continued under ISSUER NOT COOPERATING category	Simple
Short Term Bank Facilities	122.00	IVR A4; ISSUER NOT COOPERATING * (IVR A Four; ISSUER NOT COOPERATING)	Revised from IVR A4+ (IVR A Four Plus) and continued under ISSUER NOT COOPERATING category	Simple
<b>Total</b>	<b>147.00</b> <b>(Rupees one</b> <b>hundred and forty</b> <b>seven crore only)</b>			

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

#### Details of Facility are in Annexure 1

#### Detailed Rationale

The revision in the ratings assigned to the bank facilities of Amar Infrastructure Limited (AIL) is because of continuous non-cooperation by the company despite repeated follow ups and lack of adequate information leading to information availability risk and hence uncertainty around its credit risk. The negative outlook is assigned due to information availability risk.

Infomerics assesses whether the information available about the company 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 company.

#### Non-cooperation by Issuer



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Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide E-mail communications dated November 18, 2023, November 20, 2023, November 23, 2023 and November 24, 2023, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted all the essential details required for detailed review of the assigned ratings.

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/short-term rating assigned to the bank loan facilities aggregating to Rs. 147.00 crore of Amar Infrastructure Limited shall be continued to remain under the 'ISSUER NOT COOPERATING' category by Infomerics and the long-term rating will be noted as IVR BB; Negative; Issuer Not Cooperating; Based on best available information (IVR Double B with Negative outlook; Issuer Not Co-operating; Based on best available information) and short-term rating will be noted as IVR A4; Issuer Not Cooperating; Based on best available information (IVR A Four; Issuer Not Co-operating; Based on best available information). The negative outlook is assigned due to information availability risk.

### **Analytical Approach:** Consolidated

For arriving at the rating, Infomerics has combined the financial profiles of Amar Infrastructure Limited and its Joint Venture with Dinesh Chandra R 5 Agrawal Infracon (P) Limited. In this Joint Venture, Dinesh Chandra R Agrawal Infracon (P) Limited has profit sharing percentage of 4%, while AIL has profit sharing percentage of 96%. The purpose of entering into this joint venture by AIL is to bid for larger value projects by combining their expertise and resources. This enable AIL to benefit from the credibility and financial stability of Dinesh Chandra R Agrawal Infracon (P) Limited. Here AIL is completing the order under joint venture contract with Dinesh Chandra R Agarwal through its own resources and expertise, giving just 4% of profit sharing to former. **(List of the companies are in Annexure 3)**

### **Applicable Criteria**

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Rating Methodology for Infrastructure companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)



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### [Policy of default recognition](#)

**Liquidity:** Unable to comment due to non-availability of information despite repeated follow ups.

### **About the company**

Amar Infrastructure Ltd (AIL) was initially formed as a partnership firm named, Amar Builders in 1987, with three partners Mr. Chaturbhuj Rathi, Mr. Narendra Rathi and Mr. Surendra Rathi (all brothers by relation). The company was mainly engaged in civil construction work until 2000-01, and later diversified into manufacturing of channel sleeper for Indian Railways. With the formation of Chhattisgarh state, it entered into the field of road construction

**Financials (Combined):** Latest Financials not available

For the year ended/ As on*	(Rs. Crore)	
	31-03-2020	31-03-2021
	Audited	Provisional
Total Operating Income	132.93	159.50
EBITDA	20.51	24.85
PAT	7.79	13.02
Total Debt	39.49	43.54
Tangible Net Worth	76.59	88.15
EBITDA Margin (%)	15.43	15.58
PAT Margin (%)	5.65	8.09
Overall Gearing Ratio (x)	0.52	0.49

\* As per Infomerics Standard

**Financials (Standalone):** Latest Financials not available

For the year ended/ As on*	(Rs. Crore)	
	31-03-2020	31-03-2021
	Audited	Provisional
Total Operating Income	97.93	111.30
EBITDA	15.76	18.09
PAT	3.88	6.22
Total Debt	39.49	43.54
Tangible Net Worth	66.58	72.80
EBITDA Margin (%)	16.09	16.25
PAT Margin (%)	3.78	5.51
Overall Gearing Ratio (x)	0.59	0.60

\* As per Infomerics Standard

**Status of non-cooperation with previous CRA:** The ratings of Amar Infrastructure Limited continue to be classified under Issuer Not Cooperating category by Brickwork as per Press



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Release dated July 12, 2023, and by India Ratings as per Press Release dated July 24, 2023, due to unavailability of information.

**Any other information:** Nil

### Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (Jan 02, 2023)	Date(s) & Rating(s) assigned in 2021-22 (Oct 05, 2021)	Date(s) & Rating(s) assigned in 2020-21 (Jul 10, 2020)
1.	Cash Credit	Long Term	21.00	IVR BB; Negative; Issuer Not Cooperating*	IVR BB+; Issuer Not Cooperating*	IVR BBB; Stable	IVR BBB; Stable
2.	Term Loan	Long Term	4.00	IVR BB; Negative; Issuer Not Cooperating*	IVR BB+; Issuer Not Cooperating*	IVR BBB; Stable	-
3.	Bank Guarantee	Short Term	122.00	IVR A4; Issuer Not Cooperating*	IVR A4+; Issuer Not Cooperating*	IVR A3+	IVR A3+

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

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### About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit



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ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit [www.infomerics.com](http://www.infomerics.com)

**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 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- Term Loan	-	-	July 2024	4.00	IVR BB; Negative; Issuer Not Cooperating *
Long Term- Cash Credit	-	-	-	21.00	IVR BB; Negative; Issuer Not Cooperating *
Short Term- Bank Guarantee	-	-	-	122.00	IVR A4; Issuer Not Cooperating*

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

**Annexure 2: Facility wise lender details:** Not Available

**Annexure 3: List of companies considered for consolidated analysis:**

Name of the Company	Consolidation Approach	Partnership Ratio
Amar Infrastructure Limited	Full Consolidation	96%
AIL DRA Joint Venture	Full Consolidation	4%

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities:** Not Applicable



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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 <https://www.infomerics.com/>

