



Press Release

Amar Infrastructure Limited

January 02, 2023

Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	25.00	IVR BB+; ISSUER NOT COOPERATING* (IVR Double B Plus; Issuer Not Cooperating)	Downgraded and moved to 'Issuer Not Cooperating' category	Simple
Short Term Bank Facilities	122.00	IVR A4+; ISSUER NOT COOPERATING* (IVR Single A Four Plus; Issuer Not Cooperating)	Downgraded and moved to 'Issuer Not Cooperating' category	Simple
Total	147.00 (Rupees one hundred and forty-seven crores only)			

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

Details of Facility are in Annexure 1

Detailed Rationale

The revision in the ratings is because of non-cooperation by the company and lack of adequate information regarding Amar Infrastructure Limited's (AIL) performance and hence the uncertainty around its credit 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

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 December 19, 2022, December 22, 2022, December 23, 2022 and December 26, 2022, 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.



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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 and short-term rating for the bank facilities of Amar Infrastructure Limited aggregating to Rs.147.00 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the long term rating be noted as IVR BB+; Issuer Not Co-operating (IVR Double B Plus; Issuer Not Co-operating; Based on best available information) and the short term rating be noted as IVR A4+; Issuer Not Co-operating (IVR Single A Four Plus; Issuer Not Co-operating; Based on best available information).

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 \(Non-Financial Sector\)](#)

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 Rath, Mr. Narendra Rath and Mr. Surendra Rath (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.



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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	0.52	0.49

* As per Infomerics Standard

Financials (Standalone):

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	0.59	0.60

Status of non-cooperation with previous CRA: India Ratings has continued the rating into issuer not cooperating category vide its PR dated July 28, 2022, due to non-submission of documents by the company.

Any other information: Nil



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Rating History for last three years:

Sr. No.	Name of Instrument /Facilities	Current Rating (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
1.	Cash Credit	LT	21.00	IVR BB+; ISSUER NOT COOPERATING*	IVR BBB/ Stable Oct 05, 2021	IVR BBB/ Stable Jul 10, 2020	IVR BBB/ Stable Jul 12, 2019
2.	Term Loan	LT	4.00	IVR BB+; ISSUER NOT COOPERATING*	-	-	-
3.	Bank Guarantee	ST	122.00	IVR A4+; ISSUER NOT COOPERATING*	IVR A3+ Oct 05, 2021	IVR A3+ Jul 10, 2020	IVR A3+ Jul 12, 2019

* Issuer did not cooperate; based on best available information

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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

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

For more information visit www.infomerics.com



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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- Term Loan	-	-	July 2024	4.00	IVR BB+; ISSUER NOT COOPERATING*
Long Term- Cash Credit	-	-	-	21.00	IVR BB+; 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

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/>