



Press Release

Argunt Aggregates Private Limited

May 28, 2024

Ratings

Instrument / Facility	Amount (Rs. Crore)	Ratings*	Rating Action	Complexity Indicator
Long-Term Bank Facilities	5.32	IVR BB-; Negative, ISSUER NOT COOPERATING* (IVR Double B Minus with Negative Outlook, ISSUER NOT COOPERATING)	Downgraded with revision in outlook from 'Stable' to 'Negative' and moved to Issuer Not Cooperating category	Simple
Total	5.32 (INR Five Crore and Thirty-Two Lakh only)			

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

Details of Facility are in Annexure 1

Detailed Rationale

The downgrade in the ratings assigned to the bank facilities of Argunt Aggregates Private Limited (AAPL) is because of non-cooperation by the company and lack of adequate information regarding AAPL's 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 outlook is revised from stable to negative due to information availability risk.

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 entity to provide the required data to monitor its assigned rating to the bank facilities, vide E-mail communications dated April 25, 2024, May 2, 2024, May 7, 2024 and May 10, 2024 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the entity'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 ratings for the bank facilities of Argunt Aggregates Private Limited aggregating to Rs. 5.32 crore shall be moved to 'ISSUER NOT COOPERATING' category and the ratings will be noted as 'IVR BB-; Negative, ISSUER NOT COOPERATING' (IVR Double B Minus with Negative outlook, Issuer Not Co-operating), based on best available information.

Liquidity: Unable to comment due to lack of adequate information.

Analytical Approach: Standalone

Applicable Criteria

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

[Rating Methodology for Manufacturing companies](#)

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

[Criteria of assigning Rating Outlook](#)

[Policy on default recognition](#)

[Criteria on complexity](#)

About the Company

Incorporated in 2011, Argunt Aggregates Private Limited (AAPL) is an aggregate manufacturing company situated in Vellore and supplying materials to Chennai Market for ITD Cementation, Chennai Metro Rail Project and various other projects in Chennai. AAPL is engaged in a business of manufacturing of blue metals, aggregates predominantly used under construction industry. The company has its manufacturing facility located at Annaimallur Village, Tamil Nādu. Mr. K. Chandrasekaran has more than decades of exposure in the field and has built up a strong relationship with the clients.

Financials (Standalone): Latest financials are not available

(Rs. crore)



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For the year ended* / As on	31-03-2021	31-03-2022
	Audited	Audited
Total Operating Income	20.72	37.51
EBITDA	3.43	3.73
PAT	0.72	1.15
Total Debt	7.86	7.24
Tangible Net Worth	9.20	10.35
EBITDA Margin (%)	16.55	9.95
PAT Margin (%)	3.42	3.06
Overall Gearing Ratio (x)	0.85	0.70
Interest Coverage (x)	4.44	5.53

*Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 (Apr 7, 2023)	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
1.	Term Loan	LT	1.68	IVR BB-; Negative; ISSUER NOT COOPERATING*	IVR BB; Stable	-	-
2.	Covid Loan	LT	0.64	IVR BB-; Negative; ISSUER NOT COOPERATING*	IVR BB; Stable	-	-
3.	Cash Credit	LT	3.00	IVR BB-; Negative; ISSUER NOT COOPERATING*	IVR BB; Stable	-	-

* 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 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.

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



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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 Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	Dec 2023	1.68	IVR BB-; Negative; ISSUER NOT COOPERATING*
Covid Loan	-	-	Jan 2026	0.64	IVR BB-; Negative; ISSUER NOT COOPERATING*
Cash Credit	-	-	-	3.00	IVR BB-; Negative; 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: Not Applicable

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/rating-criteria-detail/complexity-level-of-ratedinstrumentsfacilities>