



## Press Release

### NAR Infra Private Limited (NIPL)

**December 08, 2023**

#### Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Bank Facilities	21.40	IVR BB+; Negative; ISSUER NOT COOPERATING* (IVR Double B Plus with Negative outlook; Issuer Not Cooperating)	Downgraded from IVR BBB- (Triple B Minus) with revision in outlook from Stable to Negative and moved to ISSUER NOT COOPERATING category	Simple
Short Term Bank Facilities	58.60	IVR A4+; ISSUER NOT COOPERATING* (IVR A Four Plus; Issuer Not Cooperating)	Downgraded from IVR A3 (A Three) and moved to ISSUER NOT COOPERATING category	Simple
<b>Total</b>	<b>80.00</b> <b>(Rupees eighty 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 N A R Infra Private Limited is because of 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. Infomerics assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy. The outlook 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 company to provide the required data to monitor its assigned ratings to the bank facilities, vide E-mail communications dated October 03, 2023, October 19, 2023, November 20, 2023, November 22, 2023, and November 28, 2023



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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 ratings assigned to the bank loan facilities aggregating to Rs. 80.00 crore of N A R Infra Private Limited shall be moved to '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 Plus with Negative outlook; Issuer Not Co-operating; Based on best available information) and the short-term rating will be noted as IVR A4+; Issuer Not Cooperating; Based on best available information (IVR A Four Plus; Issuer Not Co-operating; Based on best available information). The negative outlook is assigned due to information availability risk.

**Analytical Approach:** Standalone

### **Applicable Criteria**

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

[Criteria of assigning Rating outlook](#)

[Rating Methodology for Infrastructure Companies](#)

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

[Policy of default recognition](#)

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

### **About the company**

NAR Infra Pvt. Ltd. (NIPL) is an Engineering Services Company based in Hyderabad, Telangana, India. It was established in 1985 as a proprietorship concern and was later converted into a partnership firm and on January 5, 2010, it was converted into a Private Limited company. It was established with an objective to provide a complete range of engineering services. NIPL offers a wide range of customized services in the field of water pipelines, irrigation, and electrical lines on EPC basis. NIPL is AA or special class government approved contractor. The Company is specialised in providing utility shifting services. The Company also undertakes and executes, direct contracts from the Government for water



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pipelines and irrigation work under the Jal Jeevan Mission, an initiative of the Central Government.

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

(Rs. Crore)

For the year ended/ As on*	31-03-2021	31-03-2022
	Audited	Audited
Total Operating Income	101.48	123.35
EBITDA	14.06	15.31
PAT	6.73	6.70
Total Debt	31.28	28.30
Tangible Net Worth	25.78	32.32
EBITDA Margin (%)	13.85	12.42
PAT Margin (%)	6.61	5.41
Overall Gearing Ratio (x)	1.21	0.88

\* As per Infomerics Standard

**Status of non-cooperation with previous CRA:** Brickwork Ratings continues to classify the rating of NIPL under Issuer Not Cooperating category vide its latest press release dated May 11, 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 (Nov 17, 2022)	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
1.	Cash Credit	Long Term	5.00	IVR BB+; Negative; Issuer Not Cooperating*	IVR BBB-; Stable	-	-
2.	GECL	Long Term	1.40	IVR BB+; Negative; Issuer Not Cooperating*	IVR BBB-; Stable	-	-
3.	Cash Credit (Proposed)	Long Term	15.00	IVR BB+; Negative; Issuer Not Cooperating*	IVR BBB-; Stable	-	-



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Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2023-24)			Rating History for the past 3 years		
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4.	Non-Fund Bank Guarantee	Short Term	30.00	IVR A4+ ; Issuer Not Cooperating*	IVR A3	-	-
5.	Bank Guarantee (Proposed)	Short Term	28.60	IVR A4+ ; Issuer Not Cooperating*	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 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)



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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 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
Cash Credit	-	-	-	5.00	IVR BB+; Negative; ISSUER NOT COOPERATING*
GECL	-	-	July 2024	0.78	IVR BB+; Negative; ISSUER NOT COOPERATING*
GECL	-	-	Nov 2026	0.62	IVR BB+; Negative; ISSUER NOT COOPERATING*
Proposed Cash Credit	-	-	-	15.00	IVR BB+; Negative; ISSUER NOT COOPERATING*
Bank Guarantee	-	-	-	30.00	IVR A4+; ISSUER NOT COOPERATING*
Proposed Bank Guarantee	-	-	-	28.60	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:** Not Applicable

**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/>

