



Press Release

Agrasen Ispat Private Limited

October 14, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities – Cash Credit	29.50	IVR BB+; ISSUER NOT COOPERATING* (IVR Double B Plus; Issuer Not Cooperating)	Revised and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities – Bank Guarantee	4.00	IVR A4+; ISSUER NOT COOPERATING* (IVR A Four Plus; Issuer Not Cooperating)	Revised and moved to ISSUER NOT COOPERATING category
Total	33.50		

**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 Agrasen Ispat Private Limited (AIPL)'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 to monitor its assigned rating to the bank facilities, vide E-mail communications dated May 03, 2021, June 05, 2021, August 03, 2021 and October 10, 2021 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



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aggregating to Rs.29.50 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB+; Issuer Not Co-operating; Based on best available information (IVR Double B Plus: Issuer Not Co-operating; Based on best available information) and the short-term ratings for the bank loan facilities aggregating to Rs.4.00 crore shall also 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).

Analytical Approach & Applicable Criteria

For arriving at the rating, Infomerics has combined the financial risk profiles of Agrasen Ispat Private Limited (AIPL), Hindusthan Loha Limited (HLL) and Pushpganga Minerals LLP (PGMLLP) referred as Agrasen group (Trading) as these entities are under a common management and have strong operational linkages and cash flow fungibility. The list of companies is given in **Annexure 2**.

Rating Methodology for Trading Companies

Financial Ratios & Interpretation (Non-financial Sector)

Guidelines on what constitutes Non-Cooperation by clients

About the Company

Incorporated in 2007, Raipur, Chattisgarh based Agrasen Ispat Private Limited (AIPL) is a part of Agrasen Group and is engaged in trading of MS Channel, MS Beam/Joist, and RSJ poles, TMT Bars, Round Bars, HR Coils, Pipes, Rails and other Steel Products. The company has also started trading of imported coal from April 2018 onwards. AIPL has 5 godowns, one in Raipur and four in Navi Mumbai and has branch offices in Mumbai, Indore, Rajasthan, Allahabad and Hyderabad.

Presently, AIPL is managed and operated by the Agrawal family of the Agrasen Group of Raipur having an experience of over 15 years in the steel industry. With integrated manufacturing facilities, the group has presence in sponge iron, billet and rolled products. Currently, the operations of the company are looked after by a five-member Board of Directors, who are members of the Agrawal family and have adequate experience in the sector.

About the Group

The Agrasen group is founded by the Agrawal family of Raipur, Chhattisgarh. The group has vast experience in the manufacturing and trading of steel products through various companies



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under its fold. The Agrawal family started their business operations with trading of steel products and gradually ventured in manufacturing operations in 2002. Currently, the Agrasen group has two business verticals – Trading and Manufacturing. Under manufacturing vertical, the group is engaged in manufacturing of steel wires, Ms. Ingot, Billets and steel rolled products. Under trading vertical the group is engaged in trading of various steel products.

Financials (Combined):

For the year ended* / As On	31-03-2019	31-03-2020
	Audited	Provisional
Total Operating Income	330.53	417.14
EBITDA	9.06	11.46
PAT	2.65	4.19
Total Debt	39.48	81.04
Tangible Net worth	31.92	43.13
EBITDA Margin (%)	2.74	2.75
PAT Margin (%)	0.80	1.00
Overall Gearing Ratio (x)	1.24	1.72

**As per Infomerics' Standard*

Financials (Standalone):

For the year ended* / As On	31-03-2019	31-03-2020
	Audited	Provisional
Total Operating Income	207.57	208.85
EBITDA	4.62	3.81
PAT	1.39	1.42
Total Debt	23.09	32.53
Tangible Net worth	18.88	20.29
EBITDA Margin (%)	2.23	1.82
PAT Margin (%)	0.66	0.68
Overall Gearing Ratio (x)	1.22	1.60

**As per Infomerics' Standard*

Status of non-cooperation with previous CRA:

CARE Ratings has moved the rating of AIPL into the Issuer Non-Cooperating category as the company did not co-operate in the rating procedure despite repeated follow ups as per the Press Release dated June 08, 2021.

Any other information: Nil

Rating History for last three years:



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S. No.	Name of Instrument/Facilities	Current Rating (Year 2021-22)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19
1.	Cash Credit	Long Term	29.50	IVR BB+ (IVR Double B Plus) ISSUER NOT COOPERATING	IVR BBB-/Positive Outlook (IVR Triple B Minus with Positive Outlook) (July 21, 2020)	--	--
2.	Bank Guarantee	Short Term	4.00	IVR A4+ (IVR A Four Plus) ISSUER NOT COOPERATING	IVR A3 (IVR A Three) (July 21, 2020)	--	--

Name and Contact Details of the Rating Analyst:

Name: Ms. Harshita Didwania

Tel: (033) 46022266

Email: hdidwania@infomerics.com

Name: Mr. Avik Podder

Tel: (033) 46022266

Email: apodder@infomerics.com

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



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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 Bank Facilities – Cash Credit	-	-	-	29.50	IVR BB+ Issuer Not Cooperating*
Short Term Bank Facilities – Bank Guarantee	-	-	-	4.00	IVR A4+ Issuer Not Cooperating*

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

Annexure 2: List of companies considered for consolidated analysis

Name of the Company	Consolidation Approach
Agrasen Ispat Private Limited (AIPL)	Full consolidation
Hindusthan Loha Limited (HLL)	Full consolidation
Pushpganga Minerals LLP (PGMLLP)	Full consolidation

Annexure 3: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Annexure 4: Complexity level of the rated Instruments/Facilities

Sr No.	Instrument	Complexity Indicator
1.	Cash Credit	Simple
2.	Bank Guarantee	Simple

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.