



Press Release

Amar Infrastructure Limited

December 11, 2024

Ratings

Security Facility /	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	25.00	IVR BB-; Negative; ISSUER NOT COOPERATING* (IVR Double B minus with Negative outlook; ISSUER NOT COOPERATING)	IVR BB; Negative; ISSUER NOT COOPERATING* (IVR Double B with Negative outlook; ISSUER NOT COOPERATING)	Downgraded and continued in ISSUER NOT COOPERATING category	Simple
Short Term Bank Facilities	122.00	IVR A4; ISSUER NOT COOPERATING* (IVR A Four; ISSUER NOT COOPERATING)	IVR A4; ISSUER NOT COOPERATING* (IVR A Four; ISSUER NOT COOPERATING)	Reaffirmed and continued in ISSUER NOT COOPERATING category	Simple
Total	147.00 (Rupees one hundred and forty-seven crore only)				

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

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has downgraded the ratings assigned to the bank facilities of Amar Infrastructure Limited (AIL) 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.

Infomerics Ratings assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy. The outlook remains 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.



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Non-cooperation by Issuer

Infomerics Ratings 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 26, 2024, December 02, 2024, and December 06, 2024, and concurrently over several phone calls. However, despite repeated requests by Infomerics Ratings, 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 Ratings has to assign the rating based on the 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 Dineshchandra R. Agrawal Infracon (P) Limited (DRA) [AIL DRA Joint Venture]. In this Joint Venture, Dineshchandra 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 Dineshchandra 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 entities consolidated are in Annexure 4)**

Applicable Criteria:

[Rating Methodology for Infrastructure Companies](#)

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

[Criteria for assigning rating outlook](#)

[Consolidation of Companies](#)

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

[Policy of default recognition](#)

[Criteria on complexity](#)

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

About the Company



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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 (Standalone): Latest financials not available

(Rs. crore)

For the year ended/ As on*	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
Interest Coverage (x)	3.01	2.83

* Classification as per Infomerics' standards.

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 Release dated September 26, 2024, and by India Ratings as per Press Release dated July 14, 2024, due to unavailability of information.

Any other information: Nil

Rating History for last three years:

S r. N o.	Name of Security/ Facilities	Current Ratings (Year 2024-2025)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					Dec 01, 2023	Jan 02, 2023	Oct 05, 2021
1.	Cash Credit	Long Term	21.00	IVR BB-; Negative; ISSUER NOT COOPERATING*	IVR BB; Negative; ISSUER NOT COOPERATING*	IVR BB+; ISSUER NOT COOPERATING*	IVR BBB; Stable
2.	Term Loan	Long Term	4.00	IVR BB-; Negative; ISSUER NOT	IVR BB; Negative; ISSUER NOT	IVR BB+; ISSUER NOT	IVR BBB; Stable



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S r. N o.	Name of Security/ Facilities	Current Ratings (Year 2024-2025)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					Dec 01, 2023	Jan 02, 2023	Oct 05, 2021
				COOPERATING G*	COOPERATING *	COOPERATING *	
3.	Bank Guarantee	Short Term	122.00	IVR A4; ISSUER NOT COOPERATING G*	IVR A4; ISSUER NOT COOPERATING *	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 and definition of ratings please 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



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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: Instrument/Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – Cash Credit	-	-	-	-	21.00	IVR BB-; Negative; ISSUER NOT COOPERATING*
Long Term Bank Facilities – Term Loan				July 24	4.00	IVR BB-; Negative; ISSUER NOT COOPERATING*
Short Term Bank Facilities – 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: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis:

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

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.