

Press Release

M/s N.E. Agency

August 12, 2019

Ratings

Instrument / Facility	Amount (Rs. crore)	Ratings	Rating Action
Long Term Fund based facilities- Cash Credit	5.00	IVR BB-/Stable Outlook ISSUER NOT COOPERATING* (Rating downgraded and moved to Issuer Not Cooperating category from IVR BB/Stable)	Moved to ISSUER NOT COOPERATING Category and revised from IVR BB with Stable Outlook
Long Term / Short Term bank facilities (Proposed)	21.00	IVR BB-/Stable Outlook/IVR A4 ISSUER NOT COOPERATING* (Rating downgraded and moved to Issuer Not Cooperating category from IVR BB/Stable/IVRA4)	Moved to ISSUER NOT COOPERATING Category and revised from IVR BB with Stable Outlook / IVR A4
Total	26.00		

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

Details of Facility are in Annexure 1

Detailed Rationale

Availability of information from the client is a key factor in the assessment of credit risk. However, operational information and surveillance fees has not been provided by the firm. In absence of information, the rating on M/s N.E. Agency's bank facilities is been migrated to 'IVR BB-/Stable Outlook (IVR Double B minus with Stable Outlook) ISSUER NOT COOPERATING for long term bank facilities and IVR BB-/Stable Outlook/IVR A4 (IVR Double B minus with Stable Outlook / IVR A Four) ISSUER NOT COOPERATING for long term/short term bank facilities.

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 21, 2019, June 03, 2019, June 14, 2019, July 08, 2019 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the firm's management has not submitted the essential details and fees for the surveillance exercise. Moreover, the firm has not submitted 'NO DEFAULT STATEMENT' for the month of June, 2019 and July, 2019. 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 aggregating to Rs.5.00 crore and long-term / short-term ratings for the bank facilities aggregating to Rs.21.00 crore of M/s N.E. Agency shall be moved to the ‘ISSUER NOT COOPERATING’ category by Infomerics and the rating be noted as IVR BB-/Stable: Issuer Not Co-operating; Based on best available information. (IVR Double B minus/Stable: Issuer Not Co-operating; Based on best available information) and IVR BB-; Stable / IVR A4: Issuer Not Co-operating; Based on best available information. (IVR Double B minus; Stable / IVR A Four: Issuer Not Co-operating; Based on best available information).

Accordingly, the lenders, investors and other users of this ratings are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

Analytical Approach & Applicable Criteria

Financial Ratios & Interpretation – (Non-financial Sector)

Guidelines on what constitutes Non-Cooperation by clients

About the Company

M/s N.E. Agency (NEA) was set up and started operation in 1996 by Smt. Nabam Yani of Itanagar, Arunachal Pradesh. The entity is engaged in execution of civil construction of road and buildings. NEA is a registered Class 1 Government Contractor of Arunachal Pradesh. NEA is mainly operating in Arunachal Pradesh and Assam. The entity mainly caters to the government contracts through tender participation and also works as sub-contractee. The day to day activities of the entity are looked after by the proprietor, Smt. Nabam Yani having about two decades of experience in the construction sector with support from a few experienced professionals.

Financials (Standalone)

(Rs. Crore)

For the year ended* / As On	31-03-2016	31-03-2017
	Audited	Audited
Total Operating Income	27.47	26.78
EBITDA	1.58	3.86
PAT	1.01	2.36
Total Debt	6.52	9.18
Tangible Net worth	3.70	32.88
EBITDA Margin (%)	5.74	14.42
PAT Margin (%)	3.69	8.83

For the year ended* / As On	31-03-2016	31-03-2017
Overall Gearing Ratio (x)	1.76	0.28

**Based on Infomerics classification*

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

S. No.	Name of Instrument/Facilities	Current Rating (Year 2019-20)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18	Date(s) & Rating(s) assigned in 2016-17
1.	Long Term Fund based facilities- Cash Credit	Long Term	5.00	IVR BB- /Stable Outlook (IVR Double B minus with Stable Outlook) ISSUER NOT COOPERATING	--	IVR BB/ Stable Outlook (IVR Double with Stable Outlook) (March 30, 2018)	--
2.	Long Term / Short Term bank facilities (Proposed)	Long Term / Short Term	21.00	IVR BB- /Stable Outlook/IVR A4 (IVR Double B minus with Stable Outlook/IVR A Four) ISSUER NOT COOPERATING	--	IVR BB / Stable Outlook /IVR A4(IVR Double B with Stable Outlook/IVR A Four) (March 30, 2018)	--

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.

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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 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 Fund based facilities- Cash Credit	-	-	-	5.00	IVR BB-/Stable Outlook ISSUER NOT COOPERATING* (Rating downgraded and moved to Issuer Not Cooperating category from IVR BB/Stable)
Long Term / Short Term bank facilities (Proposed)	-	-	-	21.00	IVR BB-/Stable Outlook/IVR A4 ISSUER NOT COOPERATING* (Rating downgraded and moved to Issuer Not Cooperating category from IVR BB/Stable/IVRA4)