

RATING RATIONALE

08 Apr 2020

Agarwal Company

Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of ₹26.00 Crores of Agarwal Company based on best available information, as the issuer did not cooperate

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (Mar 2019)	Present
Fund Based	6.00	6.00	Long Term	BWR BB/Stable	BWR BB/Stable (Reaffirmed) Issuer Not Cooperating*
Non Fund Based	20.00	20.00	Short Term	BWR A4+	BWR A4+ (Reaffirmed) Issuer Not Cooperating*
Total	26.00	26.00	INR Twenty Six Crores Only		

Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

*Issuer did not cooperate, based on best available information.

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

In view of the non-availability of the information, non-submission of monthly statement as per regulatory requirements and lack of management cooperation, Brickwork Ratings has reaffirmed the long term rating as ‘BWR BB/Stable Issuer Not Cooperating’ and the short term rating as ‘BWR A4+ Issuer Not Cooperating’ for the bank loan facilities amounting to ₹26.00 Cr of Agarwal Company.

The lenders may note to exercise due caution while using the above ratings, which mentions “Issuer Not Cooperating” since the ratings lack any projections of a forward looking component as it is arrived based on the best available information on the trust without any management/ banker’s interaction.

The rating was due for a review in Mar 2020. BWR took up with the issuer to provide required information over emails and through telephone calls. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the issuer, BWR is unable to assess the issuer’s financial performance and its ability to service its debt and maintain a valid rating.

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress.

KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY18
Result Type		Audited
Total Operating Income	₹ Cr	70.65
Operating Profit	₹ Cr	6.69
Net Profit	₹ Cr	4.97
Tangible Networth	₹ Cr	5.82
Total Debt: Tangible Networth	Times	1.80
Current Ratio	Times	1.63

PROFILE OF THE FIRM

Agarwal Company, established as a partnership firm in the year 1980 operates as a Class A Contractor, mainly undertaking civil and structural works for public infrastructure & residential buildings etc. in Lucknow, Kanpur, Agra and Varanasi. The firm is promoted by Mr. Manoj Agarwal and Mr. Vikas Agarwal with a profit share holding of 65% and 35%, respectively.

NON-COOPERATION WITH PREVIOUS RATING AGENCY: NA

RATING HISTORY

Facilities	Current Rating (2020)			Rating History		
	Tenure	Amount (₹ Cr)	Rating	19.03.2019	2018	2017
Fund Based	Long Term	6.00	BWR BB/Stable (Reaffirmed) Issuer Not Cooperating	BWR BB/Stable	Not Rated	Not Rated
Non Fund Based	Short Term	20.00	BWR A4+ (Reaffirmed) Issuer Not Cooperating	BWR A4+		
Total		26.00	INR Twenty Six Crores Only			



The firm was initially rated in Aug 2014 with long term rating of BWR BB/Stable and short term rating of BWR A4+. The assigned rating was reaffirmed in Sep 2015 and Nov 2016

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)

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Agarwal Company ANNEXURE I

Details of Bank Facilities rated by BWR

Name of the Bank	Type of Facilities	Long Term (₹ Cr)	Short Term (₹ Cr)	Total (₹ Cr)
Punjab National Bank	Overdraft	6.00	-	6.00
	Bank Guarantee	-	20.00	20.00
Total				26.00



For print and digital media

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DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons