



Rating Rationale

1 Oct 2019

Agarwal Industries Private Limited

Brickwork Ratings withdraws the rating for the bank loan facilities of Rs. 350.92 Crore of Agarwal Industries Private Limited ('AIPL' or 'the company')

Particulars

Facilities	Amount (Rs. Crs)		Tenure	Ratings ¹	
	Previous	Present		Previous [12 Apr 2018]	Present
Fund Based					
Cash Credit	71.00	71.00	Long Term	BWR D Issuer Not Cooperating*	BWR D Issuer Not Cooperating*
SLC	4.92	4.92			
Non Fund Based					
Letter of Credit	245.00	245.00	Short Term	BWR D Issuer Not Cooperating*	BWR D Issuer Not Cooperating*
Bank Guarantee	30.00	30.00			
Total	350.92	Rs. 350.92 Crore (Rupees Three Hundred Fifty Crore Ninety Two Lakh Only)			

¹ Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

* Issuer did not cooperate; Based on best available information

Note: Details of Bank facilities are provided in Annexure I

Ratings Action

The ratings of the bank loan facilities of the company were due for a review in January 2018. As the company had cooperated in the surveillance exercise, the ratings were migrated to the 'Issuer Not Cooperating*' category in April 2018. Subsequently also, in the absence of information and cooperation from the company, Brickwork Ratings has been unable to conduct surveillance of the ratings. The company is classified as a Non Performing Asset in the books of the lenders and recovery proceedings are reported to be underway. Hence, in terms of BWR Rating Withdrawal Policy, after issuing due notices of withdrawal to the company and the bankers, the ratings are withdrawn.



Analytical Approach and Applicable Rating Criteria

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

About the company

Agarwal Industries Private Limited was incorporated in 1980 at Hyderabad, Telangana. The company is engaged in manufacturing of edible oils. Shir. Satish Kumar Agarwal and Shri. Murarilal Agarwal are the directors.

Financial Performance

The company has not shared details of its financial/operating performance for the last three years.

Rating History for the last three years

Sl. No.	Facilities	Current Rating (2019)			Rating History		
		Type	Amount (Rs. Cr)	Rating	2018 ¹ [Apr 12, 2018]	2017 ¹ [Jan 6, 2017]	2016 ¹ [Feb 25, 2016]
1	Cash credit	Long Term	71.00	BWR D Issuer Not Cooperating* Withdrawn	BWR D Issuer Not Cooperating*	BWR D	BWR BB+ /Stable
2	SLC		4.92				
3	Letter of credit	Short Term	245.00				BWR A4+
4	Bank Guarantee		30.00				
Total		Rs. 350.92 Crore (Rupees Three Hundred Fifty Crore Ninety Two Lakh Only)					

* Issuer did not cooperate; Based on best available information

¹ Rated amount: Rs. 350.92 crore

Note: An initial rating of BWR BBB-/A3 with 'Stable' outlook was assigned to the bank loan facilities of the company of Rs. 274.92 crore on 20th November 2014

Status of non-cooperation with previous CRA – Not Applicable.

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](#)



- [Short Term Debt](#)
- [Manufacturing Companies](#)
- [What Constitutes Non-Cooperation](#)
- [Brickwork Rating Policy](#)
- [Default Recognition and Post Default Curing Period](#)

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Agarwal Industries Private Limited

Annexure I: Details of Bank Facilities *(Sanctioned under Multiple Banking Arrangement)*

Sl. No.	Name of the Bank	Type of Facilities	Long Term (Rs. Cr)	Short Term (Rs. Cr)	Total (Rs. Cr)
1	Allahabad Bank	Cash Credit	50.00	-	50.00
3		Letter of Credit	-	135.00	135.00
5	State Bank of India	Cash Credit	15.00	-	15.00
6		SLC	4.92	-	4.92
7		Letter of Credit	-	25.00	25.00
9	Indian Bank	Cash Credit	1.00	-	1.00
10		Letter of Credit	-	25.00	25.00
13	Lakshmi Vilas Bank	Cash Credit	5.00	-	5.00
14		Letter of Credit	-	60.00	60.00
15		Bank Guarantee	-	30.00	30.00
TOTAL - Rupees Three Hundred Fifty Crores Ninety Two Lakh Only					350.92

Note: Based on information provided to BWR in July 2016



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