

RATING RATIONALE

07 Jan 2020

Agrawal Iron & Industries

Brickwork Ratings revises the ratings for the Bank Loan Facilities of ₹18.28 Crores of Agrawal Iron & Industries on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (Apr 2017)	Present
Fund based	18.28	18.28	Long Term	BWR B-/Stable	BWR C (Downgraded) Issuer Not Cooperating*
Total	18.28	18.28	INR Eighteen Crores and Twenty Eight Lakhs 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 and lack of management cooperation, Brickwork Ratings has downgraded the long term rating from ‘BWR B- (Stable)’ to ‘BWR C Issuer Not Cooperating’ for the bank loan facilities amounting to ₹18.28 Cr of Agrawal Iron & Industries.

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 firm without any management/ banker’s interaction.

The rating was due for a review in Apr 2018. 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	FY15	FY16
Result Type		Audited	Audited
Total Operating Income	₹ Cr	4.87	2.81
Operating Profit	₹ Cr	0.21	0.20
Net Profit	₹ Cr	0.06	0.07
Tangible Networkth	₹ Cr	1.44	0.39
Total Debt: Tangible Networkth	Times	7.86	44.44
Current Ratio	Times	2.68	1.37

COMPANY PROFILE

Agrawal Iron & Industries was established in the year 2005 as a proprietorship firm by Mr. Anil Agrawal. The firm was converted into partnership firm in 2013 by inducting Mr. Suresh Jain, Mr. Ankit Jain and Mr. Niraj Agrawal. It is located in Bastar, Chhattisgarh and is engaged in processing of Iron Ore and manufacturing of Iron-cum-Manganese Ore Pellet.

NON-COOPERATION WITH PREVIOUS RATING AGENCY: NA

RATING HISTORY

Facilities	Current Rating (2020)			Rating History		
	Tenure	Amount (₹ Cr)	Rating	2019	07.08.2018	28.04.2017
Fund Based	Long Term	18.28	BWR C (Downgraded) Issuer Not Cooperating*	Not Rated	Rating Not Reviewed	BWR B-/Stable
Total		18.28	INR Eighteen Crores and Twenty Eight Lakhs Only			

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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Agrawal Iron & Industries

ANNEXURE I

Details of Bank Facilities rated by BWR

Name of the Bank	Type of Facilities	Long Term (₹ Cr)	Short Term (₹ Cr)	Total (₹ Cr)
UCO Bank	Term Loan	10.68	-	10.68
	Term Loan (Fresh)	4.00	-	4.00
	Cash Credit	3.60	-	3.60
Total				18.28



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