

RATING RATIONALE

09 March 2021

Agrawal Iron and Industries

Brickwork Ratings Revises the ratings for the Bank Loan Facilities of Rs. 18.28 Crs. of Agrawal Iron and Industries based on best available information, as the issuer did not cooperate.

Facilities**	Amount (Rs.Crs)		Tenure	Rating#	
	Previous	Present		Previous (January 2020)	Present
Fund Based	18.28	18.28	Long Term	BWR C Downgraded Issuer Not Co-operating*	BWR D Downgraded Issuer Not Co-operating*
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.

**Details of Bank facilities is provided in Annexure-I

RATING ACTION / NATURE OF NON-COOPERATION

The rating of the Bank Loan Facilities of the firm has been downgraded to BWR D, Issuer Not Cooperating on account of non-receipt of any information for ascertaining the financial risk profile/performance of the entity and on the basis of the feedback received from the lender indicating delays in servicing the debt obligations.

The rating was due for surveillance in January 2021. The firm was being regularly followed up for the surveillance vide calls and emails dated 29.10.2020, 13.11.2020, 11.01.2021, 18.01.2021, and 22.01.2021, for obtaining the relevant and latest information for the review of the rating. The firm did not cooperate in undertaking the rating process in spite of following up several times. In the absence of adequate information from the entity, BWR is unable to assess the entity's financial performance and its ability to service its debt and maintain a valid rating.

Hence, on account of inadequate information and lack of management cooperation, and on the basis of the lender feedback, BWR recommends to continue the rating under Issuer Non Cooperating category and has downgraded the rating of the Bank Loan Facilities of the company to BWR D, Issuer Not Cooperating.

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, non-cooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings should therefore take into account possible deterioration in the credit quality of the rated entity arising from its non-transparency withholding of information required for a review of the rating.

COMPANY PROFILE (Information as on March 2017)

Agrawal Iron & Industries was established in the year 2005 as a proprietorship firm by Mr. Anil Agrawal. The firm was converted into a 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.

KEY FINANCIAL INDICATORS [AS AVAILABLE WITH BWR]

Key Financial Indicators	Units	FY 16	FY 15
Result Type		Audited	Audited
Total Operating Income	Rs. Crs	2.81	4.87
EBITDA	Rs. Crs	0.20	0.21
PAT	Rs. Crs	0.07	0.06
Tangible Net Worth	Rs. Crs	0.39	1.44
Total Debt /TNW	Times	44.44	7.86
Current Ratio	Times	1.37	2.68

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY : CRISIL has migrated the rating of the firm to Issuer Not Co-operating category as the firm has remained non-cooperative in furnishing the information for the monitoring of the rating.

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal & suspended]

Instrument / Facilities	Current Rating 2021			Rating History		
	Tenure	Amount (₹ Cr)	Rating	Jan 2020	2019	2018
Fund Based Cash Credit	Long Term	3.60	BWR D Downgraded Issuer Not Co-operating*	BWR C Downgraded Issuer Not Co-operating*	-	-
Term Loan		14.68				
Total		18.28	INR Eighteen Crores and Twenty Eight Lakhs Only			

*Issuer did not co-operate. Based on the best available information

Note: The initial rating of BWR B- (Stable) was assigned in April 2017. The rating was moved to rating not reviewed in August 2018.

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 Co-operation](#)
- [Default Recognition and Post Default Curing Period](#)

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ANNEXURE I

Agrawal Iron and Industries
Details of Bank Loan Facilities rated by BWR

Sl.No.	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1	Cash Credit	3.60	-	3.60
2	Term Loans	14.68	-	14.68
TOTAL				18.28



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