

RATING RATIONALE

Agrawal Tractors

Brickwork Ratings downgrades the Ratings for Bank Loan facilities of ₹ 5 Crores of Agrawal Tractors based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Crores)		Tenure	Rating#	
	Previous	Present		Previous (Dec, 2018)	Present
Fund Based	5	5	Long Term	BWR B (Stable)	BWR B- (Stable) Downgrade Issuer Not Cooperating*
Total	5	5	₹ Five Crores 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 / OUTLOOK / NATURE OF NON-COOPERATION

Downgraded to BWR B- (Stable) (Issuer not Cooperating) based on best available information as the issuer did not cooperate.

BWR had assigned the bank loans of M/S Agrawal Tractors a rating of BWR B (Stable) in December 2018. Later on 6 Dec 2019, the ratings were moved to the “Rating not Reviewed” category. We tried to reach out to the client for information for doing a surveillance rating through various emails. However, there was no response from the client. The client has also not submitted NDS for the past many months since the rating was assigned to them. In the absence of adequate information from the Company, BWR is unable to assess the Company’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 non submission of NDS on a monthly basis, Brickwork Ratings has downgraded the rating at BWR B- (Stable) Issuer Not Cooperating.

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.



Users of the credit ratings should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

KEY FINANCIAL INDICATORS [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY 18	FY 17
Result Type		Audited	Audited
Operating Revenue	Crs.	12.28	21.94
EBITDA	Crs.	1.04	0.61
PAT	Crs.	0.03	0.04
Tangible Net Worth	Crs.	2.43	2.06
TOL/ Tangible Net Worth	Times	2.68	4.36
Current Ratio	Times	1.88	1.52

COMPANY PROFILE

Agarwal Tractors is a partnership firm which was established on 12/08/1992 and has its registered address at Station Road, Bahraich, Uttar Pradesh. There are two partners in the firm namely Mr. Ravi Agarwal and Mrs. Vidya Agarwal. The firm is into sales and distribution of automobile spare parts and tyres and tubes and operates through its five shops/showrooms. The key person in the firm is Mr. Ravi Agarwal who looks after the day to day business and decision making in the firm. He has more than 40 years of business experience in this field. The firm has two major suppliers : 1) Bosch Ltd (for spare parts and components) 2) Ceat Tyres (for tyres & tubes). It also deals in other related spare parts i.e. battery, lubricant oils and grease, led lights and fixtures etc.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY

NA



RATING HISTORY

Facilities	Current Rating (April, 2020)			Rating History		
	Type (Long Term/ Short Term)	Amount (₹ Cr)	Rating	2019	05 Dec 2018	2017
Fund Based	Long Term	5	BWR B- (Stable) Downgrade Issuer Not Cooperating*	-	BWR B (Stable)	-
Total		5	₹ Five Crores Only			

*Issuer did not cooperate; based on best available information

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](#)

Analytical Contacts	Investor and Media Relations
<p>Raushan Kedia Rating Analyst Board: +91 11 2341 2232; Ext: 109 raushan.k@brickworkratings.com</p> <p>Satvinder Kumar Gakhar Associate Director - Ratings Board: +91 11 2341 2232 satvinder.g@brickworkratings.com</p>	<p>Liena Thakur Assistant Vice President - Corporate Communications +91 84339 94686 liena.t@brickworkratings.com</p>



ANNEXURE I

Agrawal Tractors

Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1.	Allahabad Bank	Cash Credit	5	-	5
TOTAL					5

Total Rupees Five Crores Only.

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