



## Rating Rationale

### Agroha Iron and Steel Industries

30 Nov 2020

**Brickwork Ratings downgrades the long term rating of Rs. 12.00 Crores of Agroha Iron and Steel Industries based on best available information, as the issuer did not cooperate. Accordingly the rating for the said instrument is as under**

#### Particulars

Facility	Amount (₹ Cr)		Tenure	Rating*	
	Previous	Present		Previous (Oct 2019)	Present
Fund based Cash Credit Term Loan	7.00 5.00	7.00 5.00	Long Term	BWR B+ Stable	BWR B Stable [Downgraded] Issuer Not Cooperating*
<b>Total</b>	<b>12.00</b>	<b>12.00</b>	<b>₹ Twelve Crores Only</b>		

\*Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

\*Issuer did not cooperate; based on best available information

Details of Bank facilities provided in Annexure-I

#### **RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION.**

The rating of the Bank Loan Facilities of the company have been downgraded to the long term rating to BWR B/Stable under 'Issuer Not Cooperating' category from BWR B+/Stable. BWR has been consistently following up with the entity management which has remained non co-operative to submit the information/papers required for the review of rating despite our regular follow up.

BWR had initially rated Bank Loan facilities amounting to Rs.12.00 Crs in Oct, 2019 assigning rating of BWR B+/Stable. The rating was moved to RNR in Nov 2020. BWR took up with the issuer consistently to provide required information over emails dated 5.10.2020, 12.10.2020, 19.10.2020 and 28.10.2020 and telephonically 10.11.2020, 17.11.2020, 30.11.2020 and messages 17.11.2020, 30.11.2020. However, since long follow up, we have not received documents/papers for the same. The banker has provided the feedback dated 6.10.2020, the conduct of account is standard and satisfactory. 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 firm, BWR is unable to assess the entity'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. 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.

**FIRM PROFILE (As on Oct 2019)**

M/S Agroha Iron and steel Industries (AIASI) was established in 2018. Mr. Uttam Kumar Agarwal, Gaurav Kumar Agarwal and Pushkar Lal Agarwal are the other partners of the firm. It is engaged in manufacturing of TMT bars. It has started its commercial production from October 2019. The units operate in one shift. It has presently 25 skilled workers and 35 unskilled workers. The unit is located near Pali Village, Raigad, Chattisgarh. It has the locational advantage for inward of raw material and outward dispatch of finished goods. The capacity utilisation will be 30000 metric tonnes.

**NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NA**

**RATING HISTORY FOR LAST 3 YEARS ( INCLUDING WITHDRAWN/SUSPENDED)**

Facilities	Current Rating 2020			Rating History										
	Current Rating			31 Oct 2019			2018	2017						
Bank Loan	<table border="1"> <tr> <td>FB</td> <td>12.00</td> <td>BWR B Stable (Downgraded) Issuer Not Cooperating*</td> </tr> </table>			FB	12.00	BWR B Stable (Downgraded) Issuer Not Cooperating*	<table border="1"> <tr> <td>FB</td> <td>12.0 0</td> <td>BWR B+ Stable (Assigned)</td> </tr> </table>			FB	12.0 0	BWR B+ Stable (Assigned)	NA	NA
	FB	12.00	BWR B Stable (Downgraded) Issuer Not Cooperating*											
FB	12.0 0	BWR B+ Stable (Assigned)												

\*Issuer did not cooperate; based on best available information

**COMPLEXITY LEVELS OF THE INSTRUMENTS**

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

**Hyperlink/Reference to applicable Criteria**

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

Analytical Contacts	
<b>Ushadevi V Dogra</b> Rating Analyst +91 22 2831 1439 Ext: 650 <a href="mailto:ushadevi.d@brickworkratings.com">ushadevi.d@brickworkratings.com</a>	<b>Sushil Kumar Chitkara</b> Associate Director - Ratings B :+91 22 28 31 1416, + 91 22 2831 1439 <a href="mailto:sushilkumar.c@brickworkratings.com">sushilkumar.c@brickworkratings.com</a>
1-860-425-2742	I <a href="mailto:media@brickworkratings.com">media@brickworkratings.com</a>

## ANNEXURE I

### Agroha Iron and Steel Industries 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.	Union Bank of India	<u>Fund based</u> Cash Credit Term Loan	7.00 5.00	-	12.00
<b>TOTAL</b>					<b>12.00</b>

### INR Twelve Crores Only

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