Press Release

Agarsen Re-Rollers Private Limited

March 04, 2024

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	63.02	ACUITE BB+ | Downgraded | Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	63.02	-	-

Rating Rationale

Acuité has downgraded its long-term rating to **'ACUITE BB+' (read as ACUITE Double B plus)** from **'ACUITE BBB' (read as ACUITE Triple B)** on the Rs 63.02 crore bank facilities of Agarsen Re-Rollers Private Limited (ARPL).

This rating is now an indicative rating and is based on the best available information.
The rating has been downgraded on account of information risk.

About the Company

Chhattisgarh based, Agarsen Rerollers Private Limited is incorporated in 1989. It manufactures Rolled products like MS Pipes, GI Pipes, MS Channels, MS strips etc. The group is well managed by efficient directors Mr. Manoj Kumar Goyal, Mr. Kamal Kishore Agrawal, Mr. Ayush Agrawal.

About the Group

Chhattisgarh based; Sadhguru Pipes LLP is incorporated in 2016. It manufactures Rolled products like MS Pipes, GI Pipes, MS Channels, MS strips etc. The group is well managed by efficient partners Mr. Kamal Kishore Agarwal, Mr. Raj Agrawal, Mr. Alok Agrawal.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date. Acuité believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being flagged as "Issuer not cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Limitation regarding information availability

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based

Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	588.10	336.15
PAT	Rs. Cr.	7.49	3.25
PAT Margin	(%)	1.27	0.97
Total Debt/Tangible Net Worth	Times	1.37	0.68
PBDIT/Interest	Times	3.97	3.07

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

• Application Of Financial Ratios And Adjustments: https://www.acuite.in/view-rating-criteria-53.htm
• Default Recognition: https://www.acuite.in/view-rating-criteria-52.htm
• Manufacturing Entities: https://www.acuite.in/view-rating-criteria-59.htm

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
20 Dec 2022	Term Loan	Long Term	26.71	ACUITE BBB | Stable (Assigned)
	Cash Credit	Long Term	33.00	ACUITE BBB | Stable (Assigned)
	Covid Emergency Line.	Long Term	1.31	ACUITE BBB | Stable (Assigned)
	Working Capital Demand Loan (WCDL)	Long Term	2.00	ACUITE BBB | Stable (Assigned)
09 Jul 2021	Term Loan	Long Term	3.89	ACUITE BB- (Reaffirmed & Withdrawn & Issuer not co-operating*)
	Proposed Long Term Bank Facility	Long Term	9.11	ACUITE BB- (Reaffirmed & Withdrawn & Issuer not co-operating*)
	Cash Credit	Long Term	3.00	ACUITE BB- (Reaffirmed & Withdrawn & Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	33.00	ACUITE BB+ | Downgraded | Issuer not co-operating* (from ACUITE BBB)
HDFC Bank Ltd	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.31	ACUITE BB+ | Downgraded | Issuer not co-operating* (from ACUITE BBB)
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	26.71	ACUITE BB+ | Downgraded | Issuer not co-operating* (from ACUITE BBB)
HDFC Bank Ltd	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	2.00	ACUITE BB+ | Downgraded | Issuer not co-operating* (from ACUITE BBB)

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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