



## Rating Rationale

**Aakash Agrotech Pvt. Ltd.**

**30<sup>th</sup> October, 2017**

**Brickwork Ratings has reviewed the Rating for the Bank loan facilities of Rs. 12.50 Crs of Aakash Agrotech Pvt. Ltd. based on the best available information, as the issuer did not cooperate. Accordingly, the long term rating for the said instrument is reaffirmed as BWR B- .**

### Particulars:

Facilities Rated	Amount (Rs. Crs)		Tenure	Rating *	
	Previous	Present		Previous	Present
<b><u>Fund Based :</u></b>					
Term Loan	10.00	10.00 <sup>^</sup>	Long Term	BWR B- (Pronounced as BWR B Minus) Outlook: Stable	<b>Issuer did not Co-operate; BWR B- (Pronounced as BWR B Minus) Outlook: Stable (Reaffirmed)</b>
Cash Credit Limit	2.50	2.50			
<b>Total</b>	<b>12.50</b>	<b>12.50</b>	<b>(INR Twelve Crores &amp; Fifty Lakhs Only)</b>		

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

<sup>^</sup> Term Loan outstanding is as on 3/12/2013.

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

### Rating reaffirmed

#### Nature of the Non-co-operation:

The rating was due for a review in October-2017. BWR took up with the issuer to provide required information over emails and through telephone calls. The matter was also taken up with the Banker. No feedback was provided by the Company/Bank. Despite the best efforts of BWR to get at least the minimum required 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.

#### 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.

#### About the Company: (Information as available as on Dec-2013)

Established in the year 2012, Aakash Agrotech Private Limited (AAPL) is a private limited Company incorporated in Haryana, having its manufacturing facilities in Karnal in the state of Haryana. The land for the same is spread across 9 acres taken on lease from the directors of the Company for 25 years. The Company is primarily engaged in the manufacturing, processing and trading of rice produced from paddy. AAPL produces boiled rice and is mainly focused on domestic sales of rice. The rice mill has an

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installed milling capacity of 12 MT/year. The Company also derives income from sales of by products like rice bran and foke, however the sale of rice alone contributed to around 95% of the total revenues in FY 13. As the mill is located in a major paddy growing region, most of the paddy requirement is met locally from the farmers through agents. AAPL procures paddy from mandis of Haryana, UP etc. The procurement season is generally from October to March however, there is arrangement to procure the paddy from agents who store the paddy round the year.

**Rating History for the last three years:**

Sr. No.	Instrument/ Facility	Current Rating (Year 2017)			Rating History		
		Type	Amt in Crs	Rating	2016	2015	2014
1	<b>Fund Based:</b> Term Loan	Long Term	10.00	<b>Issuer did not Co-operate BWR B-*</b> <b>Pronounced as BWR B Minus)</b> <b>Outlook: Stable (Reaffirmed)</b>	Not Rated	Not Rated	Not Rated
2	Cash Credit Limit		2.50				
	<b>Total</b>		<b>12.50</b>	<b>(INR Twelve Crores &amp; Fifty Lakhs Only)</b>			

\*Issuer did not cooperate: based on the best available information.

The rating was earlier done on 3.12.2013 and assigned a rating of BWR B-

**Hyperlink/Reference to Applicable Criteria:**

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Infrastructure Sector](#)

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**For print and digital media**

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the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

**Note on complexity levels of the rated instrument:**

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

**About Brickwork Ratings**

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

**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.