

RATING RATIONALE

M/s Agarwal Agro Foods

Brickwork Ratings revises the ratings for the Bank Loan Facilities of ₹ 16.19 Crores M/s Agarwal Agro Foods based on best available information, as the Issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (Dec, 2018)	Present*
Fund Based Cash Credit Term Loan	12.00 4.19	12.00 4.19	Long Term	BWR BB- (Stable) Upgraded	BWR B+ (Stable) Downgraded Issuer not Cooperating*
Total	16.19	16.19	INR Sixteen Crores and Nineteen 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 / OUTLOOK / NATURE OF NON COOPERATION

BWR had initially rated Bank Loan facilities and assigned BWR B+ (Stable) dated 14th Nov, 2017. The rating was then upgraded to BWR BB- (Stable) on 27th Dec, 2018. The annual review of the rating was due. Further, Due to the non-availability of information to conduct annual review, Rating Not Reviewed Advisory was issued on 30th Dec, 2019. BWR took up with the issuer to provide required information over emails and telephone calls. Despite the best efforts of BWR to get at least the minimum required information for a review, the concern has not provided the same. The concern had not provided the NDS since the initial rating. However, In the absence of adequate financial 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, the rating is transferred to the **"Issuer Not Cooperating"** category by **downgrading the long term rating of Bank Loan Facilities to BWR B+(Stable).**

LIMITATIONS OF THE RATING

Information availability risk is the 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 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 (in ₹ Cr) [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY 18	FY 17
Result Type		Audited	Audited
Operating Revenue	Cr	54.57	0.49
EBITDA	Cr	2.66	0.73
PAT	Cr	0.10	0.00
Tangible Net Worth	Cr	3.70	2.98
Total Debt/TNW	times	4.01	3.70

COMPANY PROFILE

Agarwal Agro Foods is a partnership concern established in October, 2015; with its registered office at Khamariya Patti, Pilibhit Road, Puranpur, (distt) Pilibhit. U.P. The Firm started its commercial production from 5 March 2017. The firm is engaged in production of steamed and parboiled rice and its by-product Rice Bran. Husk produced in the process is consumed by the unit itself. It is a fully automated plant where all the processing is done in the plant. The products are sold under the brand name 'HAZIR'. The firm has started producing high quality basmati rice also like 1121, 1509 and Sugandha.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY- NA

RATING HISTORY

Instrument / Facilities	Current Rating (2020)			Rating History		
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	30/12/2019	27/12/2018	14/11/2017
Fund Based Cash Credit Term Loan	Long Term	12.00 4.19	BWR B+ (Stable) Downgraded Issuer not cooperating	Rating Not Reviewed	BWR BB- (Stable) Upgraded	BWR B+ (Stable)
Total		16.19	INR Sixteen Crores and Nineteen Lakhs Only			

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](#)

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ANNEXURE I

M/s Agarwal Agro Foods Details of Bank Facilities rated by BWR

Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
Punjab National Bank	Fund Based	16.19	-	16.19
TOTAL				16.19

INR Sixteen Crores and Nineteen Lakhs Only

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