

RATING RATIONALE

18 March 2020

Agrawal Oil & Biochem

Brickwork Ratings Revises the ratings for the Bank Loan Facilities of ₹ 8.21 Crores of Agrawal Oil & Biochem based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (Feb 2018)	Present
Fund based	8.21	8.21	Long Term	BWR B+ Stable	BWR C+ (Downgraded) Issuer Not Cooperating*
Total	8.21	8.21	INR Eight Crores and Twenty One 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 / NATURE OF NON-COOPERATION

The rating of the Bank Loan Facilities of the firm has been revised and downgraded based on the available information as the client has not submitted any paper/information etc. for ascertaining the financial risk profile/performance of the firm. We have therefore moved the rating under the “Issuer Not Cooperating” category.

The rating was due for surveillance in Feb 2019. The firm was being regularly followed up for the surveillance, vide emails dated 20.12.2018, 03.01.2020, 06.03.2020, 09.03.2020, 13.03.2020 and 17.03.2020 for obtaining the relevant and latest paper/ information for the review of the rating. The firm did not cooperate in undertaking the rating process in spite of following up several times. In the absence of adequate information from the firm and the bank, BWR is unable to assess the firm’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, BWR recommends to place the rating under Issuer Non Cooperating category and has further revised the long term rating of the Bank Loan Facilities of the firm to BWR C+.

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

KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY 17	FY 16
Result Type		Audited	Audited
Operating Income	₹ Cr	41.77	20.24
EBITDA	₹ Cr	0.86	0.62
PAT	₹ Cr	0.36	0.15
Tangible Net Worth	₹ Cr	1.84	1.57
Total Debt /TNW	Times	4.76	4.02
Current Ratio	Times	1.40	1.49

FIRM PROFILE (Information as on Feb 2018)

Agrawal Oil and Biocheam was established in 2010 as a Proprietorship concern by Mr. Bhavesh Agrawal in Indore, Madhya Pradesh. It is mainly engaged in Manufacturing of organic food and feed grade products at its manufacturing unit located in Indore at an installed capacity of 1000 MT/month. The product range includes Organic Oil seeds (Soybean, Soybean meal, Soy Flour, Soy Oil), Organic Cereals (Barley, chickpeas, corn, amaranth) and Organic spices and herbs (Black pepper, cardamom, cloves, cinnamon) etc...The concern is organic certified as per USDA Organic, One Cert and Indo Cert. The concern also has ISO 22000-2005 certification for food safety management and GMP+ certification. It exports various products like Organic soybean, oil seeds and grains to various countries like USA, Canada, Sweden etc..The concern packages and markets its products under the brand name 'Soyag'.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY : NIL

RATING HISTORY

Instrument / Facilities	Current Rating			Rating History		
	Tenure	Amount (₹ Cr)	Rating	Previous (May 2019)	Previous (Feb 2018)	(2017)
Fund based Cash Credit-Sanctioned	Long Term	5.60	BWR C+ (Downgraded) Issuer Not Cooperating*	Rating Not Reviewed	BWR B+ Stable	-
Cash Credit-Proposed		2.40				
Term Loan		0.21				
Total		8.21	INR Eight Crores and Twenty One Lakhs Only			

*Issuer did not co-operate; 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](#)

For any other criteria obtain [hyperlinks](#) from website

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ANNEXURE I

Agrawal Oil & Biocheam 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	Punjab National Bank	Cash Credit- Sanctioned	5.60	-	5.60
2		Cash Credit- Proposed	2.40	-	2.40
3		Term Loan	0.21	-	0.21
TOTAL					8.21

INR Eight Crores and Twenty One Lakhs Only

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