

Rating Rationale

Brickwork Ratings assigns ratings of 'BWR B' for the Bank Loan Facilities aggregating ₹6.00 Cr of Agro Nut & Food Co

Brickwork Ratings has assigned following **Rating¹** for the bank loan facilities of Agro Nut & Food Co. (AFC or the 'Firm') as under :-

Facility	Limits (₹ Cr)	Tenure	Rating Assigned
Fund Based -		Long Term	BWR B (Pronounced BWR Single B) Outlook: Stable
Term Loan	2.50		
Cash Credit	3.50		
Total	6.00	INR Six Crores Only	

BWR has principally relied upon the projected financials for the period of FY17 and FY18 of Agro Nut & Food Co., information/clarifications provided by the company and other publicly available information.

The assigned ratings derive comfort from the promoter's experience in the dry fruits processing industry, support from "Hansraj Group", and locational advantage for availability of dry fruits. The rating is, however, constrained by the recent commencement of business operations and moderate capital structure of the Firm. The rating also factors in risks associated with the agro based industry, which is dependent on various external factors, including vagaries of nature, besides competition from the established brands in the market.

Background:

Agro Nut and Food Company was established in the year 2016 at village Kartholi, Bari-Brahmana, Jammu. The Firm is engaged in processing and packaging of dry fruits & nuts like walnut kernels, almonds, cashew nuts etc. The Firm's total annual installed capacity is approx. 945.50 tonnes.

Mr. Suneel Jain is a key promoter of the Firm and has experience in the agro-based industry. Agro Nut & Food Co. is a newly floated Firm by "Hansraj Group" to expand their product portfolio.

Financial-Performance:

FY17 is the first year of operation for the Firm. As per projections for FY17, the Firm is expected to have achieve an operating income of Rs.39.52 Cr with PAT of 0.80 Cr. The Firm's total tangible net worth was Rs. 1.16Cr as on 31st March 2016 and is expected to reach Rs. 3.57 Cr in FY17.

Rating-Outlook:

The rating outlook is expected to be stable over the current year.

¹ Please refer to www.brickworkratings.com for definition of the Ratings

Going forward, the ability of the Firm to achieve projected growth in its top line, improve its scale of operations and profitability margins, and to manage its working capital efficiently would remain the key sensitivities.

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