



Rating Rationale

Agrownation India Ventures Pvt Ltd

21st March, 2017

Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of Rs. 18.44 Crs of Agrownation India Ventures Pvt Ltd (Formerly Prayag Cereals Pvt Ltd).

Particulars

Facility	Amount (Rs. Cr)		Tenure	Present Rating [^]	Previous Ratings [^]
	Present	Previous			
Fund Based	18.44	19.80	Long Term	BWR B Outlook: Stable	BWR B Outlook: Stable
Total	18.44	19.80	(INR Eighteen Crores and Forty Four Lakhs Only)		

[^] Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the audited financial results up to FY16, projected financials of **Agrownation India Ventures Pvt Ltd** up to FY18, publicly available information and information/clarifications provided by the company's management.

The rating draws strength from the extensive experience of the directors in processing of paddy for more than 35 years, significant track record of the management in the same line of business, moderate networth (analyzed) and availability of abundant paddy in the nearby areas. However, the ratings are constrained by low track record of operations, revenues being projected revenues for FY17, stretched capital structure, volatile input prices and intense competition in the sector.

The rating outlook is expected to be stable over the current year. Going forward, the ability of the company to increase its scale of operations and improve profitability, efficiently manage working capital and improve its gearing would be the key rating sensitivities.

Rating Outlook: Stable

BWR believes the **Agrownation India Ventures Pvt Ltd** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the



revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company

Agrownation India Ventures Pvt Ltd (Formerly Prayag Cereals Pvt Ltd) was established in 2013 as a private limited company by Mr. Ramkumar Rathi and Mr. Ankit Rathi, who are the directors of the company. In the year 2015, the company changed its name from Prayag Cereals Pvt Ltd to Agrownation India Ventures Pvt Ltd. The company is engaged in processing of paddy with an installed capacity of 8 tons per hour translating to 26,400 tons per year. The company has started its full-fledged commercial operations from July, 2016.

Mr. Ramkumar Rathi and Mr. Ankit Rathi are the directors of the company and it is a family managed business. Both of the directors are well qualified and experienced.

Company Financial Performance

As informed by the management, the company has achieved net revenues of Rs.31.85 Crs as on for 7 months FY17 after commencement of operations in July, 2017.

Rating History for the last three years (including withdrawn/suspended ratings)

Sl. No.	Instrument/ Facility	Current Rating (Year 2017)			Rating History			
		Type (Long Term/ Short Term)	Amount (Rs Crs)	Rating	2016	July, 2015		2014
						Rating	Amt. Rs. Crs	
1.	Fund based	Long Term	18.44	BWR B	Rating not Reviewed	BWR B	19.80	-

Annexure - Rated facilities details

Facility	Limits (₹ Cr)		Tenure
	Present	Previous	
Fund Based: Cash Credit	9.50	9.50	Long Term
Fund Based: Term Loans*	8.94	10.30	
Non-Fund Based: Letter of Credit**	4.00	4.00	
Total	18.44	19.80	

*Term Loan Outstanding as on March 01, 2017.

** Letter of Credit is the sublimit of Term Loan.

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)
- [Short Term Debt](#)

For any other criteria obtain hyperlinks from website

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For print and digital media

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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 Investors queries can be sent to 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

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