

Rating Rationale

M A Agrovet & Gelatines Private Limited

12th May 2017

Brickwork Ratings assigns 'BWR B (Outlook: Stable)' ratings for the Bank Loan Facilities of Rs. 6.10Cr of M A Agrovet & Gelatines Private Limited

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating*
Fund Based			
Cash Credit	3.75	Long Term	BWR B (Pronounced BWR Single B) [Outlook: Stable]
Sublimit against Book Debts	(1.00)		
Proposed Cash Credit	1.75		
Term Loan	0.60		
Total	6.10	Rupees Six Crores and Ten 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 financials of FY14, FY15 and FY16 and Projected Financials of M A Agrovet & Gelatines Private Limited of FY17, FY18 and FY19, publicly available information and information / clarification provided by the Company's management.

The rating draws strength from the experienced promoters of the Organisation, comfortable interest coverage ratio and visibility to future revenue due to orders in hand. However, the rating is constrained by the fact of size of the Organisation, low tangible networth and High Debt to Equity ratio.

Going forward, the ability of the Company to improve operational level, profitability, diversify its customer base, timely debt servicing and manage its working capital efficiently will be the key rating sensitivities.

Rating Outlook: Stable

BWR believes the **M A Agrovet & Gelatines Private Limited** 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

M/s. M A Agrovat & Gelatines Private Limited (MAAGPL) was incorporated in Feb 2012 by Mr. Mohamed Shadab Ahmed and Mr. Gufran Ahmad.

Mr. Mohd S Ahmed holds 85% of the shares and the balance is held by Mr. Gufran Ahmad.

The Directors of the company are Mr. Mohamed Shadab Ahmed and Mr. Gufran Ahmad

The Company is engaged in the manufacturing of Feed and Gelatines. The product of the company are Crushed Bones, Animal Feeds and Gelatines, which are generally used for the purpose of capsules, poultry feeds and fertilizers.

Company Financial Performance

The Company's Net Sales has increased to Rs. 19.79Cr in FY16 from Rs. 5.02Cr in FY15. The Company has reported a profit after tax of Rs. 0.04Cr in FY16 against a profit of Rs. 0.01Cr in FY15. As per provisional figures the company has achieved a sales of Rs. 23.81Cr till Dec-2016.

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type	Amount (Rs in Cr)	Rating	2016	2015	2014
1	Cash Credit	Long Term	3.75	BWR B (BWR Single B) [Outlook: Stable]	NA	NA	NA
2	Sublimit against Book Debt		(1.00)				
3	Proposed Cash Credit		1.75				
4	Term Loan		0.60				

Hyperlink/Reference to Applicable Criteria

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

Analytical Contacts	Media
Dinesh Mahabal GM - Ratings	media@brickworkratings.com
analyst@brickworkratings.com	Relationship Contact
	bd@brickworkratings.com
Phone: 1-860-425-2742	

**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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