



Rating Rationale

Nakoda Mahavir Agro Infra Private Limited

27th October 2017

Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of Rs.4.88 Crs of Nakoda Mahavir Agro Infra Private Limited ('NMAIPL' or The Company).

Particulars

| Facility Rated | Amount (Rs. Crs) | | Tenure | Rating * | |
|--------------------------|------------------|-------------------|--|-----------------------------|--|
| | Previous | Present | | Previous | Present |
| Fund Based Limits | | | Long Term | BWR B- (Outlook: Stable) | BWR B- BWR Single B Minus (Outlook: Stable) Reaffirmation |
| Term Loan - I | 4.66 | 3.60 [#] | | | |
| Term Loan - II | 0.30 | 0.28 [#] | | | |
| Cash Credit | 1.00 | 1.00 | | | |
| Total | 5.96 | 4.88 | INR Four Crores and Eighty Eight Lakhs Only | | |

Term Loan – I & II – O/s amount as on 23.10.2017

* Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rating Reaffirmed

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has primarily relied upon the audited financials upto FY1, publicly available information and the information/clarifications provided by the company.

The rating draws strength from the experience of the promoter in agri and horticultural related industry and subsidy benefit from National Horticulture Board(NHB). However, the ratings are constrained by low scale of operations, low tangible networth, high leverage, low coverage ratios, elongated conversion cycle, working capital intensive nature of business and intense competition in the industry.

Key rating drivers:

The promoters of the company are having more than 2 decades of business experience, low scale of operations reflected by revenue of Rs. 0.09 Crs in FY16 and Rs.0.79 Crs in FY17 and low networth of Rs. 1.95 Crs.

Going forward, the ability of the company to increase its scale of operations to improve profitability, improve the capital structure by infusing the fund, efficiently manage its working capital and servicing debt obligations promptly will be the key rating sensitivities.

Rating Outlook: Stable

BWR believes the business risk profile of **Nakoda Mahavir Agro Infra Private Limited** 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

Nakoda Mahavir Agro Infra Pvt Ltd (NMAIPL) incorporated in the year 2011 and commencement of operations started on 15 January, 2016, was promoted by Mr. Chaitanya Jain. The company as set up Controlled Atmosphere and Modified Atmosphere cold storage for preservation of agriculture produces with an installed capacity of 5000 MT with a capacity utilization of 75%.

The main cultivars to be preserved is of Apple, Citrus Fruits, Oranges, Kinnow, Lemon, Pomegranate, garlic, onion, cabbage and other fruits and vegetables are cultivated in the around South Rajasthan and North Western Rajasthan. Directors of the company are Mr. Devendra Kumar Jain, Mr. Nand Kishore Purohit, Mr. Chaitanya Jain and Smt. Sunita Jain, who all are qualified and having rich experience .

Company Financial Performance

The company reported a net revenue from operations of Rs. 0.09 Crores in FY16 and Rs.0.79 Crores in FY17. Operating profit margin reported at 66.16% during FY17. Tangible networth of the company is reported at 1.95 Crs in FY17. The company is reported high gearing level reflected from debt equity of 4.89X in FY17. Debt coverage indicators at low level reflected by ISCR of 0.99 times and DSCR of 0.63 times during FY17. The company is reported to high debt reflected by total debt of Rs. 9.55 Crs in FY17.



Rating History for the last three years

| Sl. No | Instrument/ Facility | Current Rating | | | Rating History | | |
|--------------|-------------------------|---------------------------------------|--------------------|--|----------------|----------|--------|
| | | Type (Long Term/ Short Term) | Amount (Rs Crs) | Rating | 27/02/17 | 07/04/16 | 2015 |
| 1 | Term Loan - I | Long Term | 3.60 [#] | BWR B- (Outlook: Stable) Reaffirmed | BWR B- | BWR B | BWR B+ |
| 2 | Term Loan - II | | 0.28 [#] | | | | |
| 3 | Cash Credit | | 1.00 | | | | |
| Total | | | 4.88 | INR Four Crores and Eighty Eight Lakhs Only | | | |

Term Loan – I & II – O/s amount as on 23.10.2017

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Trading Entities](#)
- [Approach to Financial Ratios](#)

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|---|--|
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Annexure

| Key Parmaters | FY15 (Audited) | FY16 (Audited) | FY17 (Audited) |
|-------------------------------|-----------------------|-----------------------|-----------------------|
| Net Revenue | 0.00 | 0.09 | 0.79 |
| EBITDA | 0.00 | 0.03 | 0.52 |
| PAT | 0.01 | (5.89) | (1.05) |
| Tangible Networkth | 2.50 | 3.01 | 1.95 |
| Total Debt:Tangible Networkth | 4.92 | 5.20 | 4.89 |
| Current Ratio | 88.15 | 0.12 | 0.52 |

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.

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