

Rating Rationale

Narayani Rice Mills Pvt Ltd

27th Feb 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Narayani Rice Mills Pvt Ltd (NRMPL or the 'Company').

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
Fund Based CC	6.00	Long Term	BWR B+ Outlook Stable
Fund Based TL	1.48		
Non-Fund Based LC	0.24	Short Term	BWR A4
Total	Rs. 7.72 Crores (Rupees Seven Crores Seventy Two Lakhs Only.)		

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

Rating assigned

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial results up to FY16, projected financials up-to FY18, publicly available information and information/clarification provided by the Company's management.

The ratings have factored, inter alia, established relationship with suppliers, favorable manufacturing location, support from experienced promoters. The ratings are, however, constrained by weak financial risk profile, competitive nature of industry, low profitability margin, susceptibility of the business due to vagaries of the nature.

Going forward the ability of the Company to expand its scale of operation, increase profitability, improve capital structure and gearing ratio will be the key rating sensitivities.

Rating Outlook: Stable

BWR believes the Narayani Rice Mills 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

Narayani Rice Mills Pvt Ltd is incorporated in 2010. The Company is promoted by Agarwal and Gaddhyan families and they have experienced in rice milling business since 1988. The registered office of the Company is situated at 53, Madan Mohan Street, Kolkata, West Bengal. The Company is mainly into manufacturing of rice and its sub products like Minikit, Ratna Parboiled, Swarna Rice. The Company is presently having installed capacity of 100 MT and the primary operating site of the Company is located at Pursa, Galdi, Burdwan, West Bengal.

Company Financial Performance

As per the audited financial FY16, the revenue of the Company has shown a growth from ₹25.89 Crores in FY15 to ₹ 29.25 Crores in FY16. The Company has reported Net Loss of Rs. 0.18 Crores in FY15 against Net Profit of Rs. 0.18 Crores in FY16. Tangible net worth of the Company has increased from ₹ 4.59 Crores in FY15 to ₹ 4.77 Crores in FY16 on account of retention of profit.

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (/)	Amount (Rs Crs)	Rating	2016	2015	2014
1	Fund Based Cash Credit	Long Term	6.00	BWR B+	NA	NA	NA
2	Fund Based Term Loan	Long Term	1.48				
3	Non Fund Based Letter Of Credit	Short Term	0.42	BWR A4			

Status of non-cooperation with previous CRA (if applicable): Not Applicable

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

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.