



## RATING RATIONALE

20 Mar 2020

### Narbada Dairy Foods and Farms Pvt Ltd

**Brickwork Ratings downgrades the Ratings for Bank Loan facilities of ₹ 8.94 Crores of Narbada Dairy Foods and Farms Pvt Ltd based on best available information.**

#### Particulars

Facility	Amount (₹ Crores)		Tenure	Rating#	
	Previous	Present		Previous (Nov, 2015)	Present*
Fund Based	8.94	8.94	Long Term	BWR B Stable	BWR D Downgrade
<b>Total</b>	<b>8.94</b>	<b>8.94</b>	<b>₹ Eight Crores and Ninety Four Lakhs only</b>		

#Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

\*Issuer did not cooperate; based on best available information

Details of Bank facilities is provided in Annexure-I

#### RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

Brickwork Ratings has downgraded the rating of M/s Narbada Dairy Foods and Farms Pvt Ltd for Long Term Bank Loan facilities to BWR D. The downgrade reflects delays by the company in servicing its debt obligations.

The rating was due for a review in Nov 2016. BWR took up with the issuer to provide required information over emails and through telephone calls. Despite the best efforts of BWR to get the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the Company, BWR is unable to assess the Company's financial performance. BWR has been regularly seeking No default statement (NDS) from the company, but the company has not provided NDS. As per the public information, there are delays in repayment of bank debt by the company on account of stretched liquidity. Hence, Brickwork Ratings has downgraded the rating to BWR D.

**LIMITATIONS OF THE RATING:** Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

**KEY FINANCIAL INDICATORS**(in (₹ Cr) [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY 14	FY 15
Result Type		Audited	Audited
Operating Revenue	Cr	0.56	0.99
EBITDA	Cr	0.09	0.26
PAT	Cr	0.02	0.03
TNW	Cr	1.26	3.20
(Total Debt/TNW)	times	0.47	2.04

**COMPANY PROFILE**

Narbada Dairy Foods and Farms Private Ltd., was incorporated in August 2012. The objective of the company was to set up a mechanized dairy farm to produce composite milk and milk products for domestic and exports sales. The company is engaged in the production of milk and selling it on a wholesale basis and through milk vending machines. They are also engaged in the manufacture and sales of paneer on a wholesale basis.

**NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY:**

Not Available

**RATING HISTORY**

Instrument /Facility	Current Rating 2020			Rating History		
	Type	Amount (₹ Cr)	Rating*	2019	2018	18 Mar 2017**
<b>Fund Based</b>	Long Term	8.94	<b>BWR D</b> Downgrade	-	-	Rating moved to Not Reviewed Advisory
<b>Total</b>		<b>8.94</b>	<b>₹ Eight Crores and Ninety Four Lakhs only</b>			

\*Issuer did not cooperate; based on best available information

\*\* BWR assigned initial rating of BWR B on 13 Nov 2015

**COMPLEXITY LEVELS OF THE INSTRUMENTS**

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

### Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)

Analytical Contacts	Investor and Media Relations
<p><b>Gaurav Jain</b> Primary Analyst Board: +91 11 2341 2232; Ext: 111 <a href="mailto:gaurav.j@brickworkratings.com">gaurav.j@brickworkratings.com</a></p> <p><b>Satvinder Kumar Gakhar</b> Associate Director - Ratings Board: +91 11 2341 2232 <a href="mailto:satvinder.g@brickworkratings.com">satvinder.g@brickworkratings.com</a></p>	<p>Liena Thakur Assistant Vice President - Corporate Communications +91 84339 94686 <a href="mailto:liena.t@brickworkratings.com">liena.t@brickworkratings.com</a></p>

## ANNEXURE I

### Narbada Dairy Foods and Farms Pvt Ltd

#### Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1.	Union Bank of India	Cash Credit Term Loan	1.00 7.94	- -	1.00 7.94
<b>TOTAL</b>					<b>8.94</b>

**Total Rupees Eight Crores and Ninety Four Lakhs only.**

#### For print and digital media

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

**About Brickwork Ratings:** Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, 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 leading public sector 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, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

#### **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 reason.