

RATING RATIONALE

17 Nov2020

Natraj Proteins Limited

Brickwork Ratings Revises the ratings for the Bank Loan Facilities of ₹ 55.50 Crores of Natraj Proteins Limited (NPL or the ‘Company’) based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (Sep 2019)	Present
Fund based	55.00	55.00	Long Term	BWR BB+ (Stable)	BWR BB (Stable) (Downgraded) Issuer Not Cooperating*
Non Fund Based	0.50	0.50	Short Term	BWR A4+	BWR A4 (Downgraded) Issuer Not Cooperating*
Total	55.50	55.50	INR Fifty Five Crores and Fifty Lakhs Only		

Please refer to BWR website 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: Downgraded and migrated to ‘Issuer Not Cooperating’ category

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

The rating was due for review. BWR took up with the issuer/borrower to provide required information over emails and through telephone calls. Despite the best efforts of Brickwork Ratings (BWR) to get at least the minimum required information for a review through emails (dated 17 & 18-Jun-2020 & 10-Nov-2020) and telephone calls, the entity has not provided the same and remained non-co-operative. In the absence of adequate information from the issuer/borrower, BWR is unable to assess the issuer/borrower’s financial performance and its ability to service its debt and maintain a valid rating. Not responding to information sought for review of rating shows management indifference to compliance and poor corporate governance.

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.

KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE in Public Domain]

Key Parameters	Units	FY19	FY20
Result Type		Audited	Audited
Operating Revenue	₹ Cr	190.72	154.13
EBITDA	₹ Cr	6.00	4.52
PAT	₹ Cr	1.15	0.34
Tangible Net worth	₹ Cr	35.38	35.64
Total Debt/Tangible Net worth	Times	0.87	0.87
Current Ratio	Times	1.84	1.91

COMPANY PROFILE

NPL, incorporated as a public limited company in 1994, was promoted by Mr. Kailash Chand Sharma and Mr. Jagdish Prasad Agarwala. The Company's registered office and manufacturing facilities are located at Itarsi, Madhya Pradesh. It is listed on the Bombay Stock Exchange. NPL is engaged in solvent extraction and refining of Soybean edible oil and Soya De-oiled Cake, and has seed crushing and refining capacity of 100,000 M.T. per year and 2,500 M.T. per year respectively. It procures soybean seeds from local markets/mandis.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NIL

RATING HISTORY FOR THE PREVIOUS THREE YEARS (including withdrawal and suspended)

Instrument / Facilities	Current Rating (2020)		Rating History (Rs. in Crs)									
	Tenure (Long Term / Short Term)	Amount (₹ Cr)	Rating	9 Sep 2019			24 Jun 2019			29 Mar 2018		
Bank Loan Facility	FB - LT	55.00	BWR BB (Stable) Issuer Not Cooperating	FB-LT	55.00	BWR BB+ (Stable)	FB-LT	35.00	BWR BB+ (Stable)	FB-LT	35.00	BWR BB+ (Stable)
	NFB - ST	0.50	BWR A4 Issuer Not Cooperating	NFB-ST	0.50	BWR A4+	NFB-ST	0.50	BWR A4+	NFB-ST	0.50	BWR A4+
Total		55.50	INR Fifty Five Crores & Fifty Lakhs Only									

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

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ANNEXURE I

**Natraj Proteins Limited
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	Andhra Bank	Cash Credit	18.00	-	18.00
2		SOD	20.00	-	20.00
3		Packing Credit	17.00	-	17.00
4		Bank Guarantee	-	0.50	0.50
TOTAL					55.50

Total Rupees Fifty Five Crores and Fifty Lakhs only.



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About Brickwork Ratings : Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI], offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,400 medium and large corporates and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations. BWR has Canara Bank, a leading public sector bank, as one of the promoters and strategic partners. 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 reasons.