Rating Rationale

M/s Rajanya Infra and Food Processing Private Limited
(Formerly known as Rajanya Infrastructure Private Limited)

4 Dec 2017

Brickwork Ratings on a review reaffirms BWR BB-/A4 for the bank Loan facilities aggregating Rs. 10.00 Crores of M/s Rajanya Infra and Food Processing Private Limited.

Particulars

Facilities	Previous Limits (Rs.Crs)	Present Limits (Rs.Crs)	Tenure	Previous Rating	Present Rating
SOD	5.00	5.00	Long Term	BWR BB- Outlook : Stable	BWR BB- (Pronounced BWR Double B Minus) Outlook : Stable Re-affirmation
Bank Guarantee	5.00	5.00	Short Term	BWR A4	BWR A4 (Pronounced BWR A Four) Reaffirmation
Total	**10.00**	**10.00 (INR Ten Crores Only)**			

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

Ratings Reaffirmed

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial statements up to FY17, and publicly available information and information/clarifications provided by the Company.

Ratings draws the comfort from experienced promoters in civil construction business and low gearing and comfortable interest coverage indicator. However the ratings are constrained by small scale of operations, low net worth, reduced profit margins , competitive industry, working capital intensive nature of operations, and low order book position.

Going forward, RIFPL's ability to increase the profitability and scale of operations while effectively managing its working capital requirements will remain key rating sensitivities.

Description of Key Rating Drivers

- **Key Rating Strengths:** Promoters have more than a decade of experience in the civil construction business. Firm's gearing level stood at 0.70 times and ISCR of 2.99x for FY17.

- **Key Rating Concerns:** Firm revenue and PAT are declined to Rs.18.44 Crs and 0.76 Crs in FY17 from Rs.18.95 Crs and Rs.0.98 Crs in FY16.

About the Company

M/s Rajanya Infra and Food Processing Private Limited (formerly known as Rajanya Infrastructure Private Limited) was incorporated in January 2010 in Bhimavaram, Andhra Pradesh. Company is promoted by Mr Alavathy Krishnama Raju Raghu, Mr.Balaji Sita Rama Raju Cherukuwada, and Mr.Alavathi Krishnama Raju Venkatesh. The company is engaged in civil works for commercial, residential and other infrastructure development business works. On 07/11/2016 company has been changed its name from Rajanya Infrastructure Private Limited To Rajanya Infra And Food Processing Private Limited.

Financial Performance

As per audited financial of FY17, company has reported EBITDA of Rs.1.87 crore and PAT of Rs.0.76 crore on total operating income of Rs.18.44 crore as against EBITDA of Rs.2.20 crore and PAT of Rs.0.98 crore on total operating income of Rs.18.95 crore in FY16. As on 31/03/2017 the firm's tangible networth stood at Rs.6.72 Crs, while Debt/Equity ratio is 0.70times, Net Profit Margin, Operating Profit Margin, and Current Ratio have been recorded at 4.13%, 10.15%, 1.39 times respectively.

Rating History for the last three years

<table>
<tr><th rowspan="2">Sl. No</th><th rowspan="2">Instrument/ Facilities</th><th colspan="3">Current Rating (Year 2017)</th><th colspan="3">Rating History</th></tr>
<tr><th>Type</th><th>Amount (Rs. Cr)</th><th>Rating</th><th>29-12-2016</th><th>16-12-2015</th><th>2014</th></tr>
<tr><td>1</td><td>Cash Credit</td><td>Long Term</td><td>5.00</td><td>BWR BB- (BWR Double B minus) Reaffirmation</td><td rowspan="2">Not Reviewed</td><td>BWR BB-</td><td rowspan="2">Not Rated</td></tr>
<tr><td>2</td><td>Bank Guarantee</td><td>Short Term</td><td>5.00</td><td>BWR A4 Reaffirmation</td><td>BWR A4</td></tr>
<tr><td colspan="2">Total</td><td colspan="6">Rs. 10.00 Crs (INR Ten Crores only)</td></tr>
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Status of Non Cooperation with Other CRA: Not Applicable

Any other information: Not Applicable

Hyperlink/Reference to applicable Criteria

- **General Criteria**
- **Approach to Financial Ratios**
- **Infrastructure**

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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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Annexure

Key Parameters		FY15 (Audited)	FY16 (Audited)	FY17 (Audited)
Net Sales	₹ Crs	36.18	18.95	18.44
EBITDA	₹ Crs	2.97	2.20	1.87
PAT	₹ Crs	1.83	0.98	0.76
Tangible Net worth	₹ Crs	4.97	5.96	6.72
Total Debt/Tangible Net worth	In X	0.95	0.30	0.70
Current Ratio	In X	1.20	1.27	1.39