

## Rating Rationale

### Vaidika Agro Solutions Pvt. Ltd.

14 Feb 2017

**Brickwork Ratings assigns ratings for the Bank Loan Facilities of Vaidika Agro Solutions Pvt Ltd.**

#### Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
<b>Fund Based</b>			
<b>Cash Credit</b>	<b>7.00</b>	<b>Long Term</b>	<b>BWR BB- (Pronounced BWR Double B Minus) (Outlook: Stable)</b>
<b>Term Loan</b>	<b>5.00</b>		
<b>Total</b>	<b>12.00</b>	<b>Rs. 12.00 Crores (Rupees Twelve Crores Only.)</b>	

\* Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings. The Cash Credit consists of Rs 6.10 Crores from SBI and Rs 0.90 Crores from Canara Bank. The Term Loan facility is availed from SBI.

#### Rationale/Description of Key Rating Drivers/Rating sensitivities:

The Rating factors inter-alia promoter's fair experience in food industry and slight improvement in gearing and net profit margin from FY 15 to FY 16. The ratings are constrained by fragmented industry categorized by competition and thin profitable margins, risk due to climatic changes, unhedged foreign exchange exposure and modest network

#### Rating Outlook: Stable

BWR believes the **Vaidika Agro Solutions Pvt Ltd's** 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

Vaidika Agro Solutions Pvt Ltd was incorporated in 16 July 2008. The commercial operations began during the same period. The company is into exports of agricultural commodities, agricultural consultation and inland water fish farming. The company owns 124 cages and total area under culture is 2046 hectares. The company exports to Europe, UK, Canada and South Africa. The branches of the company are located in Mumbai and Belgium(Europe) with head office in Pune.

## Company Financial Performance

The Net Sales of the company have increased from Rs 8.39 Crores in FY 15 to Rs 13.75 Crores in FY 16. The Profits After Tax have increased from Rs 0.32 Crores in FY 15 to Rs 0.54 Crores in FY 16.

## Rating History for the last three years:

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	2016	2015	2014
1)	Cash Credit	Long Term	7.00	BWR BB- (Outlook: Stable)	NA	NA	NA
2)	Term Loan	Long Term	5.00				

NA-Not Applicable

## Hyperlink/Reference to Applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)

For any other criteria obtain hyperlinks from website

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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](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto: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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