

Rating Rationale

Y K Agrotech OPC Pvt Limited

13th April 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Y K Agrotech OPC Pvt. Ltd.

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
Fund Based			
Term Loan	6.50	Long Term	BWR B (Pronounced as BWR B) Outlook: Stable
Total	Rs. 6.50 Crores (Rupees Six Crores and Fifty lakhs Only)		

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the Y K Agrotech OPC Pvt. Ltd.'s project report, projected financials upto FY2021, publicly available information and information/clarifications provided by the management.

The rating draws strength from extensive experience of promoters' in the field of agriculture and existing customer base. However, the rating is constrained by project execution risks associated with the Greenfield project and moderate scale of operations.

Going forward, the company's ability to implement the project and commence production on time, achieve projected capacity utilization levels and turnover, achieve projected profitability in the competitive environment would be key rating sensitivities.

Rating Outlook: Stable

BWR believes the **Y K Agrotech OPC Pvt Limited'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

Y. K. Agrotech OPC Pvt. Ltd. was incorporated on the 14th August, 2015, with its registered office at X-14, Green Park, New Delhi. The main objective of the Company is to construct cold storage facility at Stok, Leh with an installed capacity of 5800 MT, to store food and grain items such as

fruits, vegetables, food grains and marketing/trading of fruits, exotic fruits, vegetables, medicinal herbs etc. Mr. Karma Konchok Namgyal is the promoter director of the company and has experience in the agricultural activities such as farming and cultivation of crops in Himachal Pradesh. Mr. D. K. Trivedi is also the director in the company and has over 30 years of experience in various sectors and currently supports the promoter in his business. The commencement of commercial business is likely to happen in Oct 2017.

Company Financial Performance

The project is yet to commence operations. The Company has projected revenues of Rs. 2.16 Crs and profitability of Rs. 0.35 Crs in its first year of operations.

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Tenure	Amount (Rs Crs)	Rating	2016	2015	2014
1	Term Loan	Long Term	6.50	BWR B	Nil	Nil	Nil

Hyperlink/Reference to Applicable Criteria

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

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.

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