



Press Release

Royal Agro Farm Private Limited (erstwhile Royal Agro Farm)

December 15, 2023

Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	55.00	IVR BB- /Negative ; ISSUER NOT COOPERATING* (IVR Double B Minus with Negative Outlook; ISSUER NOT COOPERATING)	Revised and continue under ISSUER NOT COOPERATING category	Simple
Total	55.00 (Rupees Fifty Five crore only)			

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

Details of Facilities are in Annexure 1

Detailed Rationale

The revision in the ratings assigned to the bank facilities of Royal Agro Farm Private Limited reflects lack of adequate information available, non-payment of annual surveillance fees and the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lender, investors and other market participants are thus advised to exercise appropriate caution while using this rating as this rating may not adequately reflect the credit risk profile of the entity.



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Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide email communications dated October 13, 2023, October 26, 2023 and November 8, 2023 and concurrently over several phone calls. However, despite the repeated requests by Infomerics, the company's management has not submitted the requested information for monitoring the rating.

Availability of information is very critical in the rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to review the rating based on the best available information. Accordingly, the rating for the bank facilities of Royal Agro Farm Private Limited aggregating Rs.55.00 crore has been continue under 'ISSUER NOT COOPERATING' category by Infomerics.

Analytical Approach: Standalone

Applicable Criteria:

[Guidelines on what constitutes Non-Cooperation by Clients](#)

[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non-financial Sector\)](#)

[Criteria for assigning outlook](#)



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About the Company

Incorporated in May 2017 as a partnership firm Royal Agro Farm and rechristened in December 2020 as Royal Agro Farm Pvt Ltd) is a Chennai-based entity mainly involved in broiler farming business. The company catchment area consists of Tamil Nadu and adjoining Andhra Pradesh. Currently, the firm has tie-ups with around 600- 700 farms and has about 18 branches of its own divided into 3 zones in Tamil Nadu, Chittoor (AP) and Anakel (Bangalore, Karnataka). The entity was constituted previously as a partnership firm in with the partners, Mr. M. S. Sunther and Mrs. Sivagami Sunther. Both the partners have also diversified business interests like Solar Projects, vehicle dealerships, logistics and food processing through their other entities.

Financials (Standalone):

(Rs. crore)

For the year ended*	31-03-2020	31-03-2021
	(Audited)	(Provisional)
Total Operating Income	214.76	141.19
EBITDA	4.47	5.01
PAT	0.33	0.25
Total Debt	18.96	27.26
Adjusted Tangible Net worth	65.78	64.38
EBITDA Margin(%)	2.08%	3.55%
PAT Margin(%)	0.15%	0.18%
Adjusted Overall Gearing Ratio (x)	0.29x	0.42x

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Nil

Any other information: Nil



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Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years			
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (August 24, 2022)	Date(s) & Rating(s) assigned in 2021-22		Date(s) & Rating(s) assigned in 2020-21
						(July 28, 2021)	(June 3, 2021)	
1.	Long Term Facilities –Term Loan	Long Term	16.24	IVR BB-/-; Negative ISSUER NOT COOPERATING	IVR BB; ISSUER NOT COOPERATING	IVR BB+/Stable (Reaffirmed and Removed from ISSUER NOT COOPERATING)	IVR BB+ (ISSUER NOT COOPERATING)	-
2.	Long Term Facility – Proposed Term Loan	Long Term	8.76	IVR BB-/-; Negative ISSUER NOT COOPERATING	IVR BB; ISSUER NOT COOPERATING	IVR BB+/Stable (Reaffirmed and Removed from ISSUER NOT COOPERATING)	-	-
3.	Long Term Fund Based Facility – Cash Credit	Long Term	10.50	IVR BB-/-; Negative ISSUER NOT COOPERATING	IVR BB; ISSUER NOT COOPERATING	IVR BB+/Stable (Reaffirmed and Removed from ISSUER NOT COOPERATING)	IVR BB+ (ISSUER NOT COOPERATING)	-
4.	Long Term Fund Based Facility – Proposed Cash Credit	Long Term	19.50	IVR BB-/-; Negative ISSUER NOT COOPERATING	IVR BB; ISSUER NOT COOPERATING	IVR BB+/Stable (Reaffirmed and Removed from ISSUER NOT COOPERATING)	IVR BB+ (ISSUER NOT COOPERATING)	-

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

Name and Contact Details of the Analytical department:

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks. Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.



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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	10.50	IVR BB-; Negative ISSUER NOT COOPERATING*
Proposed Cash Credit	-	-	-	19.50	IVR BB-; Negative ISSUER NOT COOPERATING*
Term Loan	-	-	June, 2027	16.24	IVR BB-; Negative ISSUER NOT COOPERATING*
Proposed Term Loan	-	-		8.76	IVR BB-; Negative ISSUER NOT COOPERATING*

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

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details: Not available

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.