



Press Release

Royal Agro Farm Private Limited (erstwhile Royal Agro Farm)

January 23, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Facilities	26.74	IVR D ISSUER NOT COOPERATING* (IVR D Issuer Not Cooperating)	IVR BB-/ Negative ISSUER NOT COOPERATING* (IVR Double B Minus with Negative Outlook Issuer Not Cooperating)	Downgraded and continued under ISSUER NOT COOPERATING* Category	Simple
Proposed Long Term Facilities	28.26	IVR D ISSUER NOT COOPERATING* (IVR D Issuer Not Cooperating)	IVR BB-/ Negative ISSUER NOT COOPERATING* (IVR Double B Minus with Negative Outlook Issuer Not Cooperating)	Downgraded and continued 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/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics has downgraded the long-term rating and continued the rating of the bank facility of Royal Agro Farm Private Limited (erstwhile Royal Agro Farm) in the ISSUER NOT COOPERATING category due to intermittent delays in the debt servicing as confirmed by the company's banker, lack of adequate information for rating review from the company and hence 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.



Press Release

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

Non-Cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data & NDS to monitor its assigned rating to the bank facility, vide mail communications dated January 08, 2025, January 13, 2025, and January 20, 2025, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details/information for surveillance exercise.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the ratings based on the best available information. Accordingly, the long-term rating of the bank loan facility aggregating to Rs.55.00 crore of Royal Agro Farm Private Limited (erstwhile Royal Agro Farm) shall be continue to be in 'ISSUER NOT COOPERATING' category by Infomerics and the long-term rating will be denoted as IVR D ISSUER NOT COOPERATING; based on best available information (IVR D Issuer not cooperating; based on best available information).

Analytical Approach: Standalone

Applicable Criteria:

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

[Criteria of assigning Rating Outlook](#)

[Rating Methodology for Manufacturing Companies](#)

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

[Complexity Level of Rated Instruments/Facilities](#)

[Policy on Default Recognition](#)

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



Press Release

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):

For the year ended/ As on*	(Rs. crore)	
	31-03-2020	31-03-2021
	Audited	Audited
Total Operating Income	214.76	141.19
EBITDA	4.46	5.01
PAT	0.33	0.25
Total Debt	18.96	27.26
Tangible Net Worth	65.78	64.38
EBITDA Margin (%)	2.08	3.55
PAT Margin (%)	0.15	0.18
Overall Gearing Ratio (x)	0.29x	0.42x
Interest Coverage (x)	2.58	2.33

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (2024-25)			Rating History for the past 3 years			
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22	
					December 15, 2023	October 10, 2022	July 28, 2021	June 03, 2021
1	Term Loan	Long Term	16.24	IVR D/ ISSUER NOT COOPERATING*	IVR BB-/ Negative ISSUER NOT COOPERATING*	IVR BB; ISSUER NOT COOPERATING*	IVR BB+/Stable (Reaffirmed and Removed from	IVR BB+/Stable, Issuer Not Cooperating*



Press Release

Sr. No.	Name of Security/Facilities	Current Ratings (2024-25)			Rating History for the past 3 years			
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22	
							ISSUER NOT COOPERATING)	
2	Proposed Term Loan	Long Term	8.76	IVR D/ ISSUER NOT COOPERATING*	IVR BB-/ Negative ISSUER NOT COOPERATING	IVR BB; ISSUER NOT COOPERATING*	IVR BB+/Stable (Reaffirmed and Removed from ISSUER NOT COOPERATING)	-
3	Cash Credit	Long Term	10.50	IVR D/ ISSUER NOT COOPERATING	IVR BB-/ Negative ISSUER NOT COOPERATING	IVR BB; Negative ISSUER NOT COOPERATING*	IVR BB+/Stable (Reaffirmed and Removed from ISSUER NOT COOPERATING)	IVR BB+/Stable, Issuer Not Cooperating*
4	Proposed Cash Credit	Long Term	19.50	IVR D/ ISSUER NOT COOPERATING	IVR BB-/ Negative ISSUER NOT COOPERATING	IVR BB; Negative ISSUER NOT COOPERATING*	IVR BB+/Stable (Reaffirmed and Removed from ISSUER NOT COOPERATING)	IVR BB+/Stable, Issuer Not Cooperating*

*Issuer did not cooperate; based on best available information



Press Release

Analytical Contacts:

Name: Jalaj Srivastava

Tel: (079) 40393043

Email: jalaj.srivastava@infomerics.com

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 and definition of ratings please 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.



Press Release

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	-	June 2027	16.24	IVR D/ ISSUER NOT COOPERATING*
Proposed Term Loan	-	-	-	-	8.76	IVR D/ ISSUER NOT COOPERATING*
Cash Credit	-	-	-	-	10.50	IVR D/ ISSUER NOT COOPERATING*
Proposed Cash Credit	-	-	-	-	19.50	IVR D/ ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information

Annexure 2: Facility wise lender details: Not Applicable

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: 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.