

Raj Chick Farms Private Limited

January 18, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities	11.99	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category
Total Bank Facilities	11.99 (Rs. Eleven Crore and Ninety-Nine Lakhs Only)		

*Details in Annexure I.

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has been seeking information from Raj Chick Farms Private Limited to monitor the rating vide e-mail communications dated from November 2020 to January 06, 2021 and numerous phone calls. The last 3 e-mail communications seeking information are attached as **Annexure D**. However, despite our repeated requests, has not provided the requisite information for monitoring the ratings. **In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.** The rating(s) on Raj Chick Farms Private Limited bank facilities will now be denoted as **CARE D; ISSUER NOT COOPERATING***.

The Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.

The company has availed RBI moratorium period during March 2020 to August 2020.

Detailed description of the key rating drivers

At the time of last rating dated December 23, 2020 the following were the strengths and weaknesses

Key Rating Weakness

Ongoing delays in meeting of debt obligations

Raj Chick Farms Private Limited has been facing liquidity issues from past few months, due to which the firm is unable to service the interest obligation on cash credit facility. There are ongoing delays in servicing the interest in cash credit facility.

Analytical Approach: Standalone

Applicable Criteria

[CARE's Policy on Default Recognition](#)

[Policy in respect of Non-cooperation by issuer](#)

[CARE's Policy on Curing period](#)

[Financial ratios – Non-Financial Sector](#)

[Rating Methodology -Manufacturing Companies](#)

[Liquidity Analysis of Non-financial sector entities](#)

About the Company

Andhra Pradesh based, Raj Chick Farms (RCF), was incorporated in 2002 as a Private Limited Company by Mr. Guarav Khurana and Mr. Omprakash Khurana. The Company is engaged in farming of egg laying poultry birds (chickens) and trading of eggs and cull birds and its registered office is at Banjarahills, Hyderabad, Telangana with installed capacity of 1,00,000 number of birds per annum.

Brief Financials (Rs. crore)	31-03-2018	31-03-2019
	A	A
Total operating income	11.97	17.58
PBILDT	3.86	3.04
PAT	0.82	0.55
Overall gearing (times)	4.58	3.60
Interest coverage (times)	1.67	1.59

A-Audited;

Status of non-cooperation with previous CRA: CRISIL and Brickwork Ratings has conducted the review on the basis of best available information and classified Raj Chick Farms Private Limited as "Not Cooperating" vide its press release dated October 04, 2019 and March 30, 2020.

Any other information: Not applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	11.99	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Cash Credit	LT	11.99	CARE D; ISSUER NOT COOPERATING*	1)CARE D (23-Dec-20)	1)CARE B; Stable (30-Jan-20)	-	-

*Issuer did not cooperate; Based on best available information

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

Annexure 4: Complexity level of various instruments rated for this Firm

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an *External Credit Assessment Institution (ECAI)* by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

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