

Baljeet Poultry Farms ^(Revised)
 June 25, 2020

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings ¹	Rating Action
Long-term Bank Facilities	7.00	CARE B;Stable; ISSUER NOT COOPERATING* (Single B; Outlook: Stable; ISSUER NOT COOPERATING*)	Issuer not cooperating; Revised from CARE B+; Stable (Single B Plus; Outlook: Stable) on the basis of best available information
Total Facilities	7.00 (Rupees Seven crore only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has been seeking information from Baljeet Poultry Farms to monitor the rating vide letter dated June 10, 2020 and e mail communications dated June 09, 2020, June 3, 2020, May 5, 2020 and numerous phone calls. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the publicly available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. The rating on Baljeet Poultry Farm's bank facilities will now be denoted as **CARE B; Stable; ISSUER NOT COOPERATING**.

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

Detailed description of the key rating drivers

The long term rating of the company has been revised on account of partnership nature of constitution. The ratings, however, derive strength from experienced partners along with long track record of operations.

Key Rating Weaknesses**Partnership nature of constitution**

BPF's constitution as a partnership firm has the inherent risk of possibility of withdrawal of the partners' capital at the time of personal contingency and firm being dissolved upon the death/retirement/insolvency of partners. Moreover, partnership firms have restricted access to external borrowing as credit worthiness of partners would be the key factors affecting credit decision of the lenders. The firm has availed moratorium from its bank in light of COVID-19, as per the extant Reserve Bank of India (RBI) guidelines.

Key Rating Strengths**Experienced partners along with long track record of operations**

BPF was established in 2005 and its day to day operations are looked after by the partners jointly. Mr. Jagtar Singh has an industry experience of more than three decades gained through his association with BPF and other regional entities engaged in similar business operations. Mr. Kulbir Singh and Mr. Baljeet Singh have industry experience of more than one decade gained through her association with BPF only. The partners have adequate acumen about various aspects of business which is likely to benefit BPF in the long run. The long track record has aided the firm in having established relationship with customers and suppliers.

Analytical approach: Standalone

Applicable Criteria:

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

[Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings](#)

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

[CARE's methodology for manufacturing companies](#)

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

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Issuer did not cooperate; Based on best available information

About the company

Haryana-based, Baljeet poultry Farm (BPF) was established in 2005 as a partnership firm by Mr. Jagtar Singh, Mr. Kulbir Singh, Mr. Baljeet Singh, sharing profit and losses in 1:24:25. BPF is engaged in poultry business which includes broiler farming which involves growing of one day chick into egg laying birds. Subsequently the eggs laid by them are artificially incubated into chicks (incubation time is 35 days). The processing facility of the firm is divided into 3 units, each located at Assandh, Karnal, Haryana.

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total operating income	8.27	9.83
PBILDT	0.35	0.44
PAT	0.01	0.04
Overall gearing (times)	1.69	2.65
Interest coverage (times)	2.12	2.70

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

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-Term Loan	-	-	April, 2029	3.43	CARE B; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B+; Stable on the basis of best available information
Fund-based - LT-Cash Credit	-	-	-	3.57	CARE B; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B+; Stable on the basis of best available information

*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-Term Loan	LT	3.43	CARE B; Stable; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE B+; Stable on the basis of best available information	-	1)CARE B+; Stable (28-May-19)	-	-
2.	Fund-based - LT-Cash Credit	LT	3.57	CARE B; Stable; ISSUER NOT COOPERATING* Issuer not	-	1)CARE B+; Stable (28-	-	-

				cooperating; Revised from CARE B+; Stable on the basis of best available information		May-19)		
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**Issuer did not cooperate; Based on best available information*

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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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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