

Raj Chick Farms Private Limited

December 23, 2020

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities	11.99	CARE D (Single D)	Revised from CARE B; Stable (Single B; Outlook: Stable)
Total Bank Facilities	11.99 (Rs. Eleven Crore and Ninety-Nine Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The revision in the rating assigned to the bank facilities of Raj Chick Farms Private Limited is on account of ongoing delays in servicing the interest obligation of Cash Credit facility.

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

Key Rating Sensitivities**Positive Rating Factors**

- Delay free track record of more than 90 days

Detailed description of the key rating drivers**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.

Key Rating Strengths**Long track record of operations and experience of the promoters for more than five decades in poultry farm**

RCF was established in the year 2002 as a private limited company and has a long track record of operations for more than 18 years in the poultry business. The promoter, Mr. Omprakash Khurana has more than 5 decades of experience and Mr. Guarav Khurana has more than 2 decades of experience in Poultry farming. Due to long term presence and experienced promoters in the segment, the company has established good relationships with suppliers and customers.

Analytical Approach: Standalone**Applicable Criteria**

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

[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: NA

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

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	-	1)CARE B; Stable (30-Jan-20)	-	-

Annexure-3: Detailed explanation of covenants of the rated instruments/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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