October 04, 2021

Bharat Agri Fert And Realty Ltd: Moved to Non-Cooperating category; on best available information

Summary of rating action

Instrument^	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based Limits	15.00	15.00	[ICRA]B+ (Stable) ISSUER NOT COOPERATING *; Rating moved to the 'Issuer Not Cooperating' category
Non-fund-based Limits	5.00	5.00	[ICRA]A4 ISSUER NOT COOPERATING *; Rating moved to the 'Issuer Not Cooperating' category
Total	**20.00**	**20.00**	

*Issuer did not cooperate; based on best available information
^Instrument details are provided in Annexure-1

Rationale

ICRA has moved the ratings for the bank facilities of Bharat Agri Fert And Realty Ltd in the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]B+ (Stable)/[ICRA]A4 ISSUER NOT COOPERATING"

The rating is based on limited cooperation from the entity since the time it was last rated in February 2021. As part of its process and in accordance with its rating agreement with Bharat Agri Fert And Realty Ltd, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. However, despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite cooperation and in line with SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, the company's rating has been moved to the "Issuer Not Cooperating" category.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: Click here ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Policy in respect of non-co-operation by the rated entity
Parent/Group Support	NA
Consolidation/Standalone	The rating is based on standalone financial statements of the issuer.

About the company

Incorporated in 1958, Bharat Agri Fert And Realty Ltd (BAFRL) made a public issue in 1962 and was listed on the Bombay Stock Exchange. It has diversified operations across fertiliser, real estate and hospitality segments. BAFRL is involved in manufacturing nitrogen, phosphorous and potassium (NPK) fertilisers, namely single super phosphate – powder and granulate form. Since 2008, the company has forayed into real estate development at one of its land bank at Majiwada in Thane. Further, during the last few years, the company has ventured into the hospitality sector with the development of resort at its existing land bank of ~8 acres at Palghar district of Wada, Maharashtra. BAFRL's first resort, named Anchaviyo resort, located at Palghar (Maharashtra), commenced commercial operations in FY2016. Apart from fertilizer, real estate and resort segment, the company has recently entered into pharmaceutical segment with manufacturing of generic drugs via 26% shareholding in MOL Chem Limited. However, the company has plans to exit from MOL Chem Limited.

Key financial indicators

	FY2019	FY2020	FY2021
Operating Income (Rs. crore)	45.49	22.66	25.67
PAT (Rs. crore)	-3.36	-6.51	-6.00
OPBDIT/OI (%)	-0.58%	-15.23%	-8.78%
PAT/OI (%)	-7.38%	-28.75%	-23.37%
Total Outside Liabilities/Tangible Net Worth (times)	0.58	0.46	0.58
Total Debt/OPBDIT (times)	-55.92	-4.19	-8.09
Interest Coverage (times)	-0.12	-2.35	-1.28

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding as of September 30, 2021 (Rs. crore)	Date & Rating in	Date & Rating in FY2021	Date & Rating in FY2020		Date & Rating in FY2019
					October 04, 2021	February 26, 2021	November 22, 2019	August 29, 2019	April 05, 2018
1	Cash Credit	Long-term	15.00	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable)	[ICRA]BB- (Stable)	[ICRA]BB (Stable)	[ICRA]BB (Stable)
2	Letter of Credit	Short-term	5.00	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4	[ICRA]A4	[ICRA]A4+	[ICRA]A4+

Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple
Letter of Credit	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analyzing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	15.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Letter of Credit	-	-	-	5.00	[ICRA]A4; ISSUER NOT COOPERATING

Source: *Company*

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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