

## Press Release

### Vichi Agritech LLP

29 December, 2017

### Rating Assigned



<b>Total Bank Facilities Rated*</b>	Rs. 15.00 Cr.
<b>Long Term Rating</b>	SMERA B/ Outlook: Stable

*\* Refer Annexure for details*

### Rating Rationale

SMERA has assigned long-term rating of '**SMERA B**' (read as **SMERA B**) on the Rs. 15.00 crore bank facilities of Vichi Agritech LLP. The outlook is '**Stable**'.

Established in November 2016, Vichi Agritech LLP (VAL) is a limited liability partnership firm established by Mr. Vimal Shah, Mr. Viraj Shah and Mr. Purav Shah. The firm has undertaken a greenfield project for dal processing (toor, moong and chana) at Sokhada-Khambhat district, Gujarat with installed capacity of 2 TPH, 3 TPH and 4.50 TPH respectively.

### Key Rating Drivers

#### Strengths

##### Experienced management

The partners, Mr. Vimal Shah and Mr. Viraj Shah possess experience of around five years in the aforementioned business.

#### Weaknesses

##### Delay in commencement of operations

The operations were expected to commence from July/August 2017. However, the firm experienced delay due to regulatory hurdles. As a result, operations are expected to start by the end of January 2018. Till date, the firm has incurred Rs 13.50 crore out of the total project cost of Rs 16.13 crore. Of the total amount expended, Rs 8.00 crore has been funded through a bank term loan and Rs 5.50 crore has been infused by partners.

##### Intense competition

VAL is exposed to intense competition in the industry.

#### Analytical Approach

For arriving at the rating, SMERA has considered the standalone business and financial risk profiles of the entity.

## Outlook: Stable

SMERA believes that VAL will maintain a stable outlook backed by its experienced management. The outlook may be revised to 'Positive' if the firm executes the project in time and registers higher-than-expected revenues while achieving better than expected profitability and net cash accruals. However, the outlook may be revised to 'Negative' if the firm fails to execute the project on time, which could affect revenues and profitability as well as the financial risk profile.

## About the Rated Entity - Key Financials

Not Applicable

## Status of non-cooperation with previous CRA (if applicable)

None

## Any other information

None

## Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Manufacturing Entities - <https://www.smera.in/criteria-manufacturing.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>

## Note on complexity levels of the rated instrument

<https://www.smera.in/criteria-complexity-levels.htm>

## Rating History (Upto last three years)

Not Applicable

## \*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	5.00	SMERA B/Stable (Assigned)
Term Loans	Not Applicable	Not Applicable	Not Applicable	10.00	SMERA B/Stable (Assigned)

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