



Press Release
ARADHYA CHEMICALS AND FERTILIZERS
February 18, 2025
Rating Reaffirmed, Withdrawn & Issuer Not Cooperating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	5.26	ACUITE B+ Reaffirmed & Withdrawn Issuer not co-operating*	-
Bank Loan Ratings	2.34	Not Applicable Withdrawn	-
Bank Loan Ratings	0.40	-	ACUITE A4 Reaffirmed & Withdrawn Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	8.00	-	-

* The issuer did not co-operate; based on best available information.

Rating Rationale

Acuite has reaffirmed & withdrawn long-term rating to 'ACUITE B+' (read as ACUITE B plus) on the Rs. 5.26 crore bank facilities of Aradhya Chemicals and Fertilizers (ACF).

Acuite has also reaffirmed short term rating of 'ACUITE A4' (read as ACUITE A four) on the Rs. 0.40 crore bank facilities of Aradhya Chemicals and Fertilizers (ACF).

Acuite has withdrawn its long-term proposed limit on the Rs. 2.34 crore bank facilities of Aradhya Chemicals and Fertilizers (ACF) without assigning any rating.

The rating is now flagged as an 'Issuer Not-Cooperating' based on non-cooperation with the necessary clarification on penal charges latest penalty is reflecting in December 2024.

The rating withdrawal is in accordance with Acuite's policy on withdrawal of rating as applicable to the respective facility / instrument. The rating is being withdrawn on account of request received from the Company and No Objection Certificate received from the banker.

About the Company

Established in 2010, Aradhya Chemicals and Fertilizers (ACF) is engaged in manufacturing of NKP fertilizers. The product line includes NPK fertilizers 17:17:17, 20:20:0, 14:06:21 and CMS fertilizers 10:05:05. The day to day operations are managed by its Partners, Mr. I S Prasanna, Mr. I P Prasheel Aradhya, Mr. I P Prajwal Aradhya and Mr. Mallappa S Angadi. The manufacturing unit is located at Mallashettihalli in Davangere (Karnataka) with installed capacity of 10 tonnes per hour.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before the due date. Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Limitation regarding information availability

This rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower) . Acuite endeavoured to gather information about the entity/industry from the public domain. Any rating with the suffix 'Issuer not cooperating' is assigned without any management interaction with the issuer entity or any data / information from the entity. Sometimes this non co-operation by a

rated entity may be due to a result of deterioration in the credit risk profile of the entity. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

No information provided by the issuer / available for Acuité to comment upon.

Liquidity Position

No information provided by the issuer / available for Acuité to comment upon.

Outlook: Not Applicable**Other Factors affecting Rating**

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	7.37	19.84
PAT	Rs. Cr.	0.16	0.77
PAT Margin	(%)	2.18	3.86
Total Debt/Tangible Net Worth	Times	2.34	1.54
PBDIT/Interest	Times	2.13	2.24

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Explicit Credit Enhancements: <https://www.acuite.in/view-rating-criteria-49.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
05 Jan 2024	Bank Guarantee (BLR)	Short Term	0.40	ACUITE A4 (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	2.34	ACUITE B+ Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	1.04	ACUITE B+ Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	0.55	ACUITE B+ Stable (Reaffirmed)
	Cash Credit	Long Term	3.50	ACUITE B+ Stable (Reaffirmed)
	Term Loan	Long Term	0.17	ACUITE B+ Stable (Reaffirmed)
10 Oct 2022	Bank Guarantee (BLR)	Short Term	0.40	ACUITE A4 (Reaffirmed)
	Cash Credit	Long Term	3.50	ACUITE B+ Stable (Upgraded from ACUITE B)
	Term Loan	Long Term	0.17	ACUITE B+ Stable (Upgraded from ACUITE B)
	Proposed Long Term Bank Facility	Long Term	2.34	ACUITE B+ Stable (Upgraded from ACUITE B)
	Working Capital Term Loan	Long Term	1.04	ACUITE B+ Stable (Upgraded from ACUITE B)
	Working Capital Term Loan	Long Term	0.55	ACUITE B+ Stable (Upgraded from ACUITE B)
22 Sep 2022	Bank Guarantee (BLR)	Short Term	0.40	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	3.50	ACUITE B (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	0.17	ACUITE B (Reaffirmed & Issuer not co-operating*)
	Proposed Long Term Bank Facility	Long Term	3.93	ACUITE B (Reaffirmed & Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Canara Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.40	Simple	ACUITE A4 Reaffirmed & Withdrawn Issuer not co-operating*
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.50	Simple	ACUITE B+ Reaffirmed & Withdrawn Issuer not co-operating*
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.34	Simple	Not Applicable Withdrawn
Canara Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	18 May 2028	0.17	Simple	ACUITE B+ Reaffirmed & Withdrawn Issuer not co-operating*
Canara Bank	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	16 Jul 2024	1.04	Simple	ACUITE B+ Reaffirmed & Withdrawn Issuer not co-operating*
Canara Bank	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	23 Nov 2026	0.55	Simple	ACUITE B+ Reaffirmed & Withdrawn Issuer not co-operating*

* The issuer did not co-operate; based on best available information.

Contacts

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About Acuité Ratings & Research

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