



Ind-Ra Assigns Usher Agro's NCDs 'IND D'

Ind-Ra-Mumbai-05 August 2016: India Ratings and Research (Ind-Ra) has assigned Usher Agro Limited's (UAL) INR550m non-convertible debentures (NCD) a long-term rating of 'IND D'.

FMO Entrepreneurial Development Bank subscribed to the NCDs at an interest rate of 11% on 23 December 2015. The debentures have a tenor of 5.5 years. The interests are to be paid semi-annually on 15 April and 15 October. The proceeds of the NCDs are to be fully submitted in the form of (quasi) equity to its subsidiary (Usher Eco Power Limited). Usher Eco Power will use the proceeds to expand the capacity of its rice husked based power plant to 34MW from 16MW in India and for setting up a 50TPD extraction facility to generate silica from rice husk ash.

Key Rating Drivers

The rating is based on UAL's announcement to undertake a strategic debt restructuring (SDR) programme as the lenders invoked their right of SDR due to the company's inability to service its debts. The company is facing liquidity issues.

Rating Sensitivities

Positive: Recovery from the SDR scheme and sustainable profitability, along with timely debt

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servicing, would lead to a positive rating action.

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Company Profile

UAL is primarily engaged in the processing of non-basmati rice, basmati rice and wheat products. The company sells its products to wholesalers and big organised retailers etc. under the brand 'Rasoi Raja', which is a registered trademark. UAL mainly operates in Uttar Pradesh and Bihar, which are among the main rice and wheat growing regions in India. According to the management, it is the largest rice miller in the states of Uttar Pradesh and Bihar.

UAL is promoted by Mr. Vinod Kumar Chaturvedi and his brother – Mr. Manoj Pathak. Mr. Chaturvedi has over 21 years of operating experience in the finance and food processing industries.

To download the Financial Summary, please click [here](#)

Additional information is available on www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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Applicable criteria, 'Corporate Rating Methodology', dated 4 April 2016, are available at www.indiaratings.co.in.

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