

**Rating Rationale**

**Aditya Grain Industries**

**31 March 2017**

**Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs. 14.49 Crs of Aditya Grain Industries (AGI or the ‘Firm’).**

**Particulars**

<b>Facility Rated</b>	<b>Amount (Rs. Crs)</b>	<b>Tenure</b>	<b>Rating *</b>
<b>Fund Based CC</b>	<b>10.75</b>	<b>Long Term</b>	<b>BWR B Outlook Stable</b>
<b>Fund Based TL</b>	<b>3.74</b>		
<b>Total</b>	<b>Rs. 14.49 Crores (Rupees Fourteen Crores Forty Nine Lakhs Only.)</b>		

\* Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

**Rating assigned**

**Rationale/Description of Key Rating Drivers/Rating sensitivities:**

BWR has principally relied upon the audited financial results up to FY16, projected financials up-to FY18, publicly available information and information/clarification provided by the Firm’s management.

The rating has factored, inter alia, established relationship with suppliers, favorable manufacturing location and support from experienced promoters. The rating is, however, constrained by small scale of operations, weak financial profile reflected by low profitability margin, fragmented and competitive nature of the industry, susceptibility of the business due to vagaries of the nature.

Going forward the ability of the Firm to expand its scale of operations, increase profitability, improve capital structure and gearing ratio will be the key rating sensitivities.

### Rating Outlook: Stable

BWR believes the Aditya Grain Industries business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

### About the Company

Aditya Grain Industries is a partnership firm established in the year 2013. Mr. Sharad Kumar Agarwal and Mr. Vikas Jalan are the partners of the Firm. The registered office of the Firm is located at Betiahat, Gorakhpur, Uttar Pradesh. The Firm is engaged in the business of manufacturing and distributing wheat and wheat sub-products. It has a wheat mill with an installed capacity of 51000 MT per annum.

### Company Financial Performance

As per the audited financial FY16, the Firm has reported sales turnover of Rs. 28.15 Crores in FY16 against Rs. 14.68 Crores in FY15. It has reported Net Loss of Rs. 1.21 Crores in FY15 against Net Profit of Rs. 0.44 Crores in FY16. Tangible net worth of the Firm has increased from ₹ 0.01 Crores in FY15 to ₹ 0.92 Crores in FY16 on account of retention of profit.

### Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (/)	Amount (Rs Crs)	Rating	2016	2015	2014
1	Fund Based Cash Credit	Long Term	10.75	BWR B	NA	NA	NA
2	Fund Based Term Loan	Long Term	3.74				

**Status of non-cooperation with previous CRA (if applicable): Not Applicable**

## Hyperlink/Reference to Applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)

For any other criteria obtain hyperlinks from website

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### Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

### About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

### DISCLAIMER

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