

RATING RATIONALE

20 Oct 2020

Ajmer Agro Products Pvt. Ltd.

Brickwork Ratings Downgrades the ratings for the long term Bank Loan Facilities of Rs. 4.54 Crs. of Ajmer Agro Products Pvt. Ltd. (“AAPPL” or the Company) while retaining the ratings in the “Issuer Not Cooperating” category based on best available information, as the issuer did not cooperate. Accordingly the rating for the said instruments is as under:

Facilities**	Amount (Rs.Crs)		Tenure	Rating#	
	Previous	Present		Previous (May 2019)	Present
Fund based	4.54	4.54	Long Term	BWR BB- (Stable) Downgraded Issuer Not Cooperating**	BWR B+ (Stable) Downgraded Issuer Not Cooperating**
Total	4.54	4.54	Rs. Four Crores and Fifty Four Lakhs Only		

Please refer to the BWR website www.brickworkratings.com/ for the definition of the ratings.

* Details of Bank facilities are provided in Annexure-I

**Issuer did not cooperate, based on best available information.

RATING ACTION / OUTLOOK

Brickwork Ratings has **downgraded** the ratings for the long term bank loan facilities of Rs. 4.54 crs of Ajmer Agro Products Pvt. Ltd. from BWR BB-(Stable) to **BWR B+(Stable)**, while **retaining** the rating in the “**Issuer not Cooperating**” category, based on best available information as the issuer did not cooperate.

NATURE OF NON-COOPERATION

The initial rating of the company was done on 7 January 2016 for bank loan facilities of Rs. 5.67 crs and a rating of BWR BB (Stable) was assigned. The rating was reaffirmed on 26 October 2017 for reduced bank loan facilities of Rs. 4.54 crs. Due to lack of cooperation from the issuer despite continued follow up to enable us to carry out a review, the rating was downgraded and moved to “Issuer Not Cooperating” category in May 2019. BWR once again took up with the company and its banker recently, over emails and through telephone calls, to provide the required information. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity and its banker have not provided the same, nor have they shared the latest financials of the company. The company has also not submitted the No Default Statements (NDS) for a long period of time. However, as per information available in the public



domain on the MCA website, the company has filed its financials for FY19 and its status is 'Active'.

In the absence of managerial cooperation on the part of the company to provide adequate information about itself, BWR is unable to assess the company's financial performance or its ability to service its debt and maintain a valid rating. Accordingly, the rating is retained under "Issuer Not Cooperating" category. The rating **Downgrade** is based on the lack of up to date feedback on the company - either from the company itself or from its lenders.

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, non cooperation by the rated entities to provide the required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non transparency and withholding of the information required for a review of the rating.

KEY FINANCIAL INDICATORS [AS AVAILABLE WITH BWR in October 2017]

Key Financial Indicators	Units	FY 16	FY 15
Result Type		Audited	Audited
Operating Revenue	₹ Cr	26.98	27.44
EBITDA	₹ Cr	1.61	1.49
PAT	₹ Cr	0.41	0.41
Tangible Net Worth	₹ Cr	4.24	3.70
Total Debt/Tangible Net Worth	Times	1.44	1.83
Current Ratio	Times	1.47	1.61

COMPANY PROFILE (Information as available in October 2017)

Incorporated in 2009, Ajmer Agro Products Pvt. Ltd. started its commercial operations in 2012 with its bulk packaging and in 2014 it started selling in small packaging of 1Kg, 2Kg and 5Kg. It is a private limited company engaged in milling wheat to Semolina(Suji), Maida, Atta with an installed capacity of 30,000 MTPA. However the utilization level is 50% in FY 16 & FY 17. The manufacturing unit is situated in a place nearby Biswanath Chariali. AAPPL is ISO 9001: 2008 certified and the product is sold under the brand name 'FRESHA'. The entire operations and management is looked after by Mr. Sultan Ahmed and his two sons: Mr. Naim Ahmed and Mr. Samim Ahmed who holds extensive experience in the Industry.

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY (IF ANY): Nil

RATING HISTORY FOR THE PREVIOUS THREE YEARS (including withdrawal and suspended)

S. No	Name of Instrument	Current Rating			Chronology of Rating History for the past 3 years along with outlook/watch, if applicable								
		Type	Amount Outstanding (₹ Crs.)	Rating	Date(s) & rating(s) assigned in year 2019	Date(s) & rating(s) assigned in year 2018	Date(s) & rating(s) assigned in year 2017 [^]						
1.	Bank Loan Facility	Fund Based-Long Term	4.54	BWR B+ (Stable) Downgraded Issuer Not Cooperating**	09.05.19 <table border="1" data-bbox="764 848 1040 1073"> <tr> <td>FB</td> <td>4.54</td> <td>BWR BB-(Stable) Downgraded Issuer Not Cooperating**</td> </tr> </table>	FB	4.54	BWR BB-(Stable) Downgraded Issuer Not Cooperating**	-	26.10.17 <table border="1" data-bbox="1192 848 1422 989"> <tr> <td>FB</td> <td>4.54</td> <td>BWR BB (Stable)</td> </tr> </table> Reaffirmed for reduced amount	FB	4.54	BWR BB (Stable)
FB	4.54	BWR BB-(Stable) Downgraded Issuer Not Cooperating**											
FB	4.54	BWR BB (Stable)											
Total			4.54	Rupees Four Crores and Fifty Four Lakhs Only									

**Issuer did not cooperate, based on best available information.

The initial rating of the company was on 7 Jan. 2016 and the rating assigned was BWR BB(Stable).

Rating migrated to “Rating Not Reviewed” on 8 May 2017.

[^]Rating migrated to the “Rating Not Reviewed” category on 28 Jan. 2019.

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non- Cooperation](#)

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ANNEXURE I

Ajmer Agro Products Pvt. Ltd. Details of Bank Loan Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [Rs. Crs]	Short Term [Rs. Crs]	Total [Rs. Crs,]
1.	State Bank of India	Cash Credit	2.90	-	2.90
		Term Loan	1.64	-	1.64
TOTAL Rupees Four Crores and Fifty Four Lakhs only					4.54



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About Brickwork Ratings : Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI], offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,400 medium and large corporates and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations. BWR has Canara Bank, a leading public sector bank, as one of the promoters and strategic partners. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

DISCLAIMER Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.