

## Rating Rationale

### Brickwork Ratings assigns 'BWR BB' to the Bank Facilities of Ajmer Agro Products Pvt. Ltd amounting to Rs.5.67 Cr

Brickwork Ratings has assigned the following **Rating<sup>1</sup>** to the Bank Loan Facilities of Rs.5.67 Cr of Ajmer Agro Products Pvt. Ltd (**AAPPL or the 'Company'**):

Facility	Limit (₹ Cr)	Tenure	Rating
<b>Fund Based</b>			
Cash Credit	<b>2.90</b>	<b>Long Term</b>	<b>BWR BB</b> (Pronounced BWR Double B )  <b>Outlook: Stable</b>
Term Loan -1*	<b>1.95</b>		
Term Loan -2*	<b>0.82</b>		
<b>Total</b>	<b>5.67</b>	<b>INR Five Crores and Sixty Seven Lakhs only</b>	

\* Term Loan outstanding as on 30.11.2015

BWR has principally relied upon the audited financial results up to FY15, projected financials of FY16 & FY17, publicly available information and information/clarification provided by the Company's management.

The rating has factored, inter alia, the experience of the promoters, moderate gearing levels, comfortable debt protection metrics and consistent growth in revenue. Further, stable demand outlook and the launch of small packets of Chakki Atta is also expected to drive the sales growth of the Company. The rating is, however, constrained by small scale of operations, competitive nature of industry, and the vulnerability of the Company's profitability to fluctuation in commodity prices.

### Company Background

Ajmer Agro Products Pvt Ltd (AAPPL) was incorporated in July, 2009 with its registered office located in Biswanath Chariali, Assam. AAPPL is engaged in milling of wheat to manufacture Semolina(Suji), Maida, Atta and Bran. The manufacturing unit of the Company is located near NH52, Biswanath Chariali, Assam with an installed capacity of 30000 MTPA. The unit started commercial production with Atta, Maida & Suji bulk packaging in March 2012 and in December 2014 it launched small packets of Chakki Atta.

The Company sells its products under the brand "Fresha". The Company majorly sells its products through Ajmer Stores - a proprietorship firm of the promoter.

<sup>1</sup> Please refer to [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the Ratings

## Management

The Board of Directors of AAPPL includes Mr. Sultan Ahmed and his two sons namely, Mr. Naim Ahmed and Mr. Samim Ahmed.

Mr. Sultan Ahmed has an extensive experience and runs a grocery unit -Ajmer Stores in Sonitpur District, Assam, since 1981.

## Financial Performance

AAPPL reported Total Operating Income of Rs.27.44 Crores in FY15 against Rs. 24.47 Crores in FY14. As of Mar 31, 2015, tangible net worth of the Company stood at Rs. 3.70 Crores and the total debt to tangible net worth ratio stood at 1.83 times. In FY 15, the Company reported Net Profit of Rs. 0.41 Crores against Rs. 0.31 Crores in FY14.

Further, as per provisional information provided by the Company's management, the Company has achieved a turnover of Rs 16.51 Crores till Nov'15.

## Rating Outlook

The outlook of the Company is expected to be stable for the next year. Going forward, the Company's ability to improve its scale of operations, profitability, and improve capacity utilization shall remain the key rating sensitivities.

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