

## Rating Rationale

### Brickwork Ratings has upgraded Rating<sup>1</sup> to BWR 'B+' (Outlook: Stable) for enhanced bank loan facilities of Alayna Industries

Facility*	Amount (₹ Cr)	Rating
Long Term Facilities	11.06	BWR B+ (Pronounced BWR Single B Plus) Outlook: Stable (Upgraded)
Short Term Facilities	NIL	NA
Total	11.06	INR Eleven Crore and Six Lakh Only

\* Facility wise details in Annexure 1.

BWR has principally relied upon the audited financial results up to FY16, provisional data till 23<sup>rd</sup> October 2016, projections upto 2018, publicly available information and information/clarifications provided by the Firm.

The assigned rating derives comfort from the significant improvement in top line and infusion of fresh equity funds into the firm by the partners during FY17. However, the rating is constrained by a deterioration in cash conversion cycle, high gearing and inventory levels, and low profit margins.

**Key Rating Drivers:** Infusion of fresh capital, growth in total operating income and improved net profit margins.

#### Background:

Alayna Industries was incorporated in 2014. The firm is involved in processing and supplying of Basmati Rice & Non-Basmati Rice and is located at Mandideep, Madhya Pradesh.

Operating Income increased by 202.2% from Rs 13.08 crore in FY15 to Rs 39.54 crore in FY16. PAT improved from Rs 0.03 Crs in FY15 to Rs. 0.08 Crs in FY16. As per certified provisional financial data, the firm has achieved revenue of Rs 33.99 crore in 7MFY17.

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

**Annexure 1: Details of Bank Facilities Rated**

Facility	Tenure	Rating Assigned (2016)			Rating History		
		Previous Amount Rated (₹Cr)	Current Amount Rated (₹Cr)	Rating	August,2015	2014	2013
<b>Fund Based</b>	Long Term			<b>BWR B+</b> (Pronounced BWR Single B Plus) Outlook: Stable <b>(Upgraded)</b>	BWR B (Pronounced BWR Single B) Outlook:Stable	NA	NA
<b>Term Loan(O/S)</b>		*4.36	*4.66				
<b>FLC(sublimit of Term Loan)</b>		(1.60)	(1.60)				
<b>Cash Credit</b>		4.50	6.40				
		<b>8.86</b>	<b>11.06</b>	<b>INR Eleven Crore and Six Lakh Only</b>			