



## Rating Rationale

### Angad Milkfoods Pvt Ltd

13 Apr 2018

Brickwork Ratings assigns the ratings for the Bank Loan Facilities of ₹. 8.51 Crores of Angad Milkfoods Pvt Ltd.

#### Particulars

Facility	Amount (₹ Crs)	Tenure	Rating*
Fund based	8.51	Long Term	<b>BWR B</b> (Pronounced as BWR Single B) <b>Outlook: Stable</b>
<b>Total</b>	<b>8.51</b>	<b>INR Eight Crores Fifty Lakhs Only</b>	

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

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

BWR has essentially relied upon Angad Milkfoods Pvt Ltd ( AMPL or “the company”) audited financial results upto FY17 and provisional financial data for FY18 and publicly available information and the information/clarifications provided by the company.

The rating draws strength from an experienced management, and a high operating profit margin. However, the rating is constrained by the company’s nascent stage of operations and moderately weak profile.

Going forward, the ability of the company to increase the turnover levels, scale of operations and the financial risk profile will be the key rating sensitivities.

#### Description of Key Rating Drivers

- **Credit Strengths:**

**Experienced Management:** Both the directors , Mr. Dilbagh Singh and Mr. Gurdial Singh, have an experience of 20 years in the same line of business.

**Operating Profit:** AMPL reported high operating profit margin with an operating profit of Rs.1.55 Crs in first year of operations (FY18).

- **Credit Risks:**

**Nascent stage of operation of the company:** The company commenced its operations in FY18 with a net



revenue of Rs.4.42 Crs and PAT of Rs.0.01 Crs.

**Moderately weak financial risk profile:** The company has low networth of Rs.0.05 coupled with low current ratio at 1.13 times signifying probable crunch in liquidity.

### Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

### Rating Outlook: Stable

BWR believes the **Angad Milkfoods Pvt Ltd** 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

Angad Milkfoods Pvt Ltd (AMPL or “the company”) was established in the year 2014 in Amritsar, Punjab. The company is engaged in manufacturing of *Ghee* and Milk Powder under the brand name of Dairy Shine. AMPL locally purchases milk and manufactures Ghee and Milk powder which is further sold to wholesalers as well as retailer. The concern has a retail shop in Amritsar for the same. The concern has a factory located in Tarn Taran, Punjab with a production capacity of 2 Lakhs Ltr of *Ghee* per day.

### Company Financial Performance

The company has a total operating income of 4.42 in FY18 (according to provisional financial data). Tangible Networth stood at ₹ 0.05 crores as on 31st March 2018 and ₹ 0.04 crores on 31st March, 2017.

### Rating History for the last three years

S.No	Instrument /Facility	Current Rating (2018)			Rating History		
		Type (Long Term/ Short Term)	Amount (₹ Crs)	Rating	2017	2016	2015
1.	Fund Based	Long Term	8.51	<b>BWR B Outlook: Stable</b>	NA	NA	NA
	<b>Total</b>		<b>8.51</b>	<b>₹ Eight Crores Fifty One Lakhs Only</b>			



Status of non-cooperation with previous CRA (if applicable)-NA

Any other information:

**Key Financial Indicators**

Key Parameters	Units	2018	2017
Result Type		Provisional	Audited
Operating Revenue	₹ Cr	4.42	0.62
EBITDA	₹ Cr	1.55	0.002
PAT	₹ Cr	0.01	0.002
Tangible Net worth	₹ Cr	0.05	0.04
Total Debt/Tangible Net worth	Times	181.07	191.29
Current Ratio	Times	1.13	1.53

**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Infrastructure Sector](#)
- [Short Term Debt](#)

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 ₹ 10,00,000 Cr. In addition, BWR has rated over 6300 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹24,440 Cr have been rated.

#### **DISCLAIMER**

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