

## Rating Rationale

### Brickwork Ratings assigns 'BWR BBB' for the Fund Based Bank Loan Facilities of Anil Nutrients Limited.

Brickwork Ratings (BWR) has assigned the following **Ratings**<sup>1</sup> for Bank Loan Facilities of Anil Nutrients Ltd ('ANL' or the 'Company'):

Facility*	Limits (₹ Cr)	Tenure	Rating
Fund Based Term Loans	95.00	Long Term	<b>BWR BBB</b> (Pronounced as BWR Triple B) <b>(Outlook: Stable)</b>
Cash Credit Limits	80.00	Short Term	
<b>Total</b>	<b>175.00</b>	<b>(INR One Hundred and Seventy Five Crores only)</b>	

\* Bank wise details of sanctions mentioned in Annexure I

BWR has essentially relied upon the audited financial statements of Anil Nutrients Ltd's up to FY14, projected financials up to FY16, publicly available information and information/clarifications provided by the Company.

The ratings have, inter alia, factored the established presence in West India with strong brand name of 'Madhav' and 'Gauri' for its Maize oil cake and Cattle feed products, experienced promoters, strong group support (ANIL Group) with a group turnover of more than ₹1500 Cr, moderate debt protection coupled with high operating and net margins in FY14, vertically integrated nature of operations as majority of its raw material requirement are being supplied by ANIL Group and also going for forward integration by setting up a unit of Refined Corn Oil at Savli, Gujarat. The rating is however constrained by working capital intensive nature of operations and average financial risk profile coupled with large bank funding required for its capex program.

#### Company Background:

Anil Nutrients Limited (ANL) was incorporated in the year 2000 as a public limited company based in Ahmedabad. ANL is engaged in the manufacturing of Maize oil cake, Crude Corn Oil, Cattle feed & allied products and Plant Growth Promoters (PGP).

ANL is running three manufacturing facilities – Unit 1 located at Shokhada dist. Vadodara manufactures crude corn oil and cattle feed products, Unit 2 located Chanasma dist. Patan manufactures cattle feeds and feed pallets and Unit 3 is a plant nutrients & feed supplement manufacturing unit located at Bapunagar, Ahmedabad. The total installed capacity of germ crushing is 24000 TPA. Feed products are produced under manual operation having capacity of 90000 TPA during FY14.

ANL has a prominent presence in West India (Gujarat, Rajasthan, Madhya Pradesh & Maharashtra) having 15% of the market share. It is selling its feed products under the brand name of 'Madhav' and 'Gauri'.

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

With a view to strengthening its existence in the market, ANL is going for a forward integration by setting up a new manufacturing unit at Village Savli, Vadodara. The new unit will produce all range of products related to Refine Corn Oil, Maize Oil Cake and Feed products.

The total project costs is ₹ 133.01 Cr which will partially funded by term loan of ₹ 95 Cr and rest from internal accruals and additional share capital of ANL. The Company has proposed to start its commercial production by April, 2016.

### **Group Background:**

ANL is a part of Anil Group which is a diversified group with total turnover of around ₹ 1500 Cr. Anil Limited (AL) is a flagship Company, originally established in the year 1939 by Lt. Sh. Chinubhai Manibhai Sheth. AL has one of the oldest and largest Corn Wet Milling (CWM) unit in the country producing the entire range of unmodified starch, modified starch from basic maize starch, bio products and downstream products having installed capacity of CWM at 750 Tons per day (TPD).

### **Management Profile:**

The Company is being headed by Mr. Amol S. Sheth who is the Managing Director of ANL. He played a major role in the developing business of Anil Group and is equipped with experience of nearly two decades. Mr. Nalin Kumar Thakur is the Director of ANL having 30 years of experience in the field of systems & processes. The other directors of ANL are Mr. Nilesh Thakar who heads the Corn oil & Bio feed business and Mr. Anurag Kothawala who plays various roles in Anil Group of Companies and currently handling all the Corporate Strategic Initiatives.

### **Financials:**

Total Operating Income increased by 7.10 % from ₹184.70 Cr in FY13 to ₹197.82 Cr in FY14. ANL reported PAT of ₹7.61 Cr in FY14 as against ₹6.58 Cr in FY13. Tangible net worth stood at ₹26.69 Cr as on March 31 2014 as compared to ₹11.07 Cr as on March 31, 2013.

### **Rating Outlook**

The ability of the Company to sustain its growth in revenue profile and margins amidst vulnerability in raw material costs, improve its capital structure, manage its working capital efficiently and ensure infusion of funds by promoters as and when required would remain the key sensitivities.

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**Anil Nutrients Limited**  
**Annexure I – Bank Loan Facilities**

Name of the Bank	Facility	Tenure	Limits in Amt.(Rs Cr)
<b>Bank of India</b>	<b>Fund Based Term Loan Limit</b>	Long Term	95.00
	Cash Credit Limit		55.00
<b>Federal Bank</b>	Cash Credit Limit		25.00
<b>Total</b>			<b>175.00</b>