

Press Release

Brickwork Ratings assigns ‘BWR BBB-(SO)’ and ‘BWR A3’ for the Bank Facilities amounting to ₹ 24 Cr of Ankur Roller Flour Mills Pvt. Ltd.

Brickwork Ratings assigns the following **Ratings**¹ for Ankur Roller Flour Mills Pvt. Ltd.’s Bank Loan Facilities amounting ₹ 24 Cr.

Facility	Limit (₹ Cr)	Tenure	Rating
Fund Based - Cash Credit	12.00	Long Term	BWR BBB-(SO) [BWR Triple B Minus(Structured Obligation)] (Outlook: Stable)
Non Fund Based - Buyers Credit	12.00	Short Term	BWR A3 (BWR A Three)
Total	24.00	INR Twenty Four Crores only	

BWR has relied on FY13 provisional financials and the audited financials for FY12, projected financials for FY14 & FY15, publicly available information, and the information & clarifications provided by the Company management

The Rating factors, inter alia, the extensive experience of the promoters in the pulses and grains industry, well recognised brand name, established sales arrangements with reputed customers, and established brand name in the Indian pulses & whole grains industry. The suffix SO indicates that the rating is influenced by the corporate guarantee provided by the group company Hitech Grain Processing Pvt. Ltd. (HGPPL) for the entire debt facilities of ₹24 Cr.

The rating is however constrained by low profit margin, competition from players in the unorganized market and working capital intensive nature of the food processing industry.

Background:

Ankur Roller Flour Mills Pvt. Ltd (ARFM) is a privately held company incorporated in 2004 having its corporate office at New Delhi and its manufacturing plant at Food Park, HSIIDC, Industrial Estate Rai, Sonapat, Haryana spread across an area of 1 acre. The company is in the business of manufacturing and processing of pulses and other food products. Hitech Grain

¹ Please refer to www.brickworkratings.com for definition of the Ratings

Processing Pvt. Ltd, also engaged in similar line of activity with slightly different product line and business strategy, is the flagship company of the group. This company is an ISO 22000-2005(HACCP) Certified Company, and is a leading supplier of quality pulses in the Delhi NCR Region. In FY13, HGGPL reported total income of ₹345 Cr. with PAT of ₹3.68 Cr.

Financial Performance:

In FY13 (Provisional), ARFM reported ₹117.29 Cr. of revenues with PAT of ₹91 lacs which is a 63.8% increase over FY12 revenues of ₹71.58 Cr. and PAT of ₹42 lacs. FY13 Net Worth is at ₹13.50 Cr, which includes promoter’s infusion of ₹4.08 Cr. as subordinated Unsecured Loan. In FY13, Total short term borrowings were at ₹11.36 Cr. and there are no term loans to be serviced. Total Debt: Equity ratio was low at 0.84. Inventory and Receivables levels were commensurate with increasing level of activity.

Rating Outlook:

The ability of the Company to improve its capacity utilization and register higher turnover with improved profitability will be the key rating sensitivities.

analyst@brickworkratings.com	bd@brickworkratings.com
Phone	Media Contact
1-860-425-2742	media@brickworkratings.com

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