

RATING RATIONALE

27Mar2020

Ayodhya Flour Mills Pvt Ltd

Brickwork Ratings revises the ratings for the Bank Loan Facilities of ₹14.00 crs of Ayodhya Flour Mills Pvt Ltd based on best available information.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (April'18)	Present
Fund based	14.00	14.00	Long Term	BWR BB- Stable	BWR B+ Stable Downgrade Issuer Not Cooperating*
Total	14.00	14.00	INR Fourteen crores only.		

Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

* Issuer not cooperating, based on best available information.

Complete Details of Bank facilities is provided in Annexure-I

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

Initial rating was done in March 2017 with rating assigned BWR BB- Stable. The rating was due for a review in April 2019 and was moved to Rating not Reviewed category on 29th July 2019. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the issuer, BWR is unable to assess the company's financial performance and its ability to service its debt and maintain a valid rating and hence, BWR has downgraded the rating to BWR B+ Stable Issuer Not Cooperating.



LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

KEY FINANCIAL INDICATORS [As available in April 2018]

Key Parameters	Units	FY16	FY17
Result Type		Audited	Audited
Net Sales	Rs in Crs	57.62	47.46
EBITDA	Rs in Crs	1.14	1.13
PAT	Rs in Crs	0.22	0.15
Tangible Net Worth	Rs in Crs	5.10	5.25
Total Debt/Tangible Net Worth	Times	1.49	1.27
Current Ratio	Times	1.46	1.44

COMPANY PROFILE [As available in April 2018]

Ayodhya Flour Mills Pvt Ltd was established in 1980 in Kanpur, U.P. Mr. B Ashok Kumar is the director of the company is a B.Com graduate and has experience of more than 3 decades in the same line of business and the details of others are given in the next slide. The company is engaged in processing wheat flour, Maida and Sooji. Company markets its products under the brand name of TAJ MAHAL. The processing unit machineries have capacity to produce 85000 MT per annum. The utilization in FY 18 was 75% as compared to FY 17 where utilization level was 59%. The increase in utilization is because of an increase in demand for the product. The raw material used is Wheat and the same is supplied by M/s Laxmi Industries, Suryalaxmi Enterprises Private Limited, M/s Kinsi Enterprises and M/s Vaishno Traders.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: Nil

RATING HISTORY

Facilities	Current Rating (2020)			Rating History*		
	Amount (₹ Cr)	Tenure (Long Term/ Short Term)	Rating	2019	2018	2017
Fund Based	14.00	Long Term	BWR B+ Stable Downgrade Issuer Not Cooperating*	-	BWR BB- Stable Reaffirmed	BWR BB- Stable
Total	14.00	INR Fourteen crores only				

*Issuer Not Cooperating; Based on best available information

Any other information

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

[General Criteria](#)

[Approach to Financial Ratios](#)

[What Constitutes Non-Cooperation](#)

For any other criteria obtain hyperlinks from website:

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ANNEXURE I

[Ayodhya Flour Mills Pvt Ltd]

Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1.	Bank of Baroda	Cash Credit	14.00	-	14.00
Total			14.00	-	14.00

INR Fourteen crores only.

For print and digital media

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DISCLAIMER

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