

Rating Rationale

Ayodhya Flour Mills Pvt Ltd

24th March 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs. 14.00 Crs of Ayodhya Flour Mills Pvt Ltd

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
Fund Based Cash Credit	14.00	Long Term	BWR BB- Outlook: Stable
Total	Rs. 14.00 Crores (Rupees Fourteen Crores Only.)		

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

Rating Assigned

Rationale/Description of Key Rating Drivers/Rating sensitivities:

Strengths: Experience of promoters for more than 2 decades in the industry, marginal increase net revenue and adequate liquidity position.

Constraints: weak interest coverage ratio, low tangible network, stagnant operating profit margin, and susceptibility of its margins to fluctuation in raw material prices.

Rating Outlook: Stable

BWR believes the Ayodhya Flour Mills 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

Ayodhya Flour Mills Pvt Ltd was established in 1980 in Kanpur, Uttar Pradesh. The company was promoted by Sri B. Ashok Kumar. The company is engaged in processing of Wheat, Maida and Sooji. The installed capacity is ~85000 MT per annum currently the unit is operating at a capacity of 50%. The company markets its products under the brand name TAJ MAHAL.

Mr. B Ashok Kumar, Mr. B Shambu Kumar, Mr. Ved Prakash Chadhary and Mr. Anand Kumar Gupta are the current directors of the company.

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Company Financial Performance

Ayodhya Flour Mills Pvt Ltd has reported a total operating income of Rs. 57.62 Crores with PAT of Rs. 0.22 Crs in FY16 against total operating income of Rs. 54.54 Crs with PAT of Rs. 0.22 Crs in FY15.

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	2016	2015	2014
	Cash Credit	Long Term	14.00	BB-	-	-	-

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)

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For print and digital media

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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 Investors queries can be sent to 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 ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

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