



**Rating Rationale**

**B L Agro Industries Ltd**

**12 Oct 2018**

**Brickwork Ratings revises the ratings for the Bank Loan Facilities of ₹. 539.70 Crs. of B L Agro Industries Ltd.**

**Particulars**

Facility	Amount (₹ Crs)		Tenure	Rating*	
	Previous	Present		Previous (June, 2018)	Present
Fund based	504.70	504.70	Long Term	BWR BBB+ (Pronounced as BWR Triple B Plus) Outlook: Stable	BWR BBB (Pronounced as BWR Triple B (Rating Under Watch With Negative Implications) (Downgrade )
Non Fund Based	35.00	35.00	Short Term	BWR A2 (Pronounced as BWR Single A Two)	BWR A3+ (Pronounced as BWR Single A Three Plus ) (Rating Under Watch With Negative Implications) (Downgrade)
<b>Total</b>	<b>539.70</b>	<b>539.70</b>	<b>INR Five Hundred Thirty Nine Crores and Seventy Lakhs Only</b>		

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

**Rating under Watch with Negative Implications- Downgrade**



Rating Downgrade takes into consideration the news item dated 8.10 2018 regarding income tax raid on the company . It was alleged in the news that the company has inflated the stocks and transferred funds abroad .

Brickwork sought the clarifications regarding factual position from the company and lead banker vide email dt. 8 Oct 2018 and other banks over phone . Though the banks confirmed that the conduct of the account is satisfactory yet they could not divulge anything on the said news. The company did not respond to our email and phone calls. In view of the lack of any clarification from the company and the banks on Income Tax raid, Brickwork feels that it may have negative implications on the workings of the company

### About the Company

Incorporated in 1993 in Bareilly, Uttar Pradesh, and promoted by Mr Ghanshyam Khandelwal, BLAIL processes and packages edible oils such as mustard, soya, rice bran, and refined palmolein oil. Operations began in 1998 and are currently managed by Mr Khandelwal, his son, Mr Ashish Khandelwal, and his daughter, Ms Richa Khandelwal. The company's Bail Kolhu, Kachi Ghani, Aviral Dhara, Mohan Dhara, and Balance Light brands have high recall in North India. Facility has refining capacity of 700 tonne per day (tpd) and packaging capacity of 1200 tpd.

### Rating History for the last three years

S.No	Instrument /Facility	Current Rating (2018)			Rating History		
		Type (Long Term/ Short Term)	Amount (₹ Crs)	Rating	June 2018	2017	2016
1	<b>Fund Based</b>	Long Term	504.70	<b>BWR BBB (Rating under watch with Negative Implications ) (Downgrade )</b>	<b>BWR BBB+ (Outlook : Stable )</b>	NA	NA
2	<b>Non Fund Based</b>	Short Term	35.00	<b>BWR A3+ ( Rating under watch with Negative Implications ) (Downgrade)</b>	<b>BWR A2</b>	NA	NA
	<b>Total</b>		<b>539.70</b>	<b>₹ Five Hundred Thirty Nine Crores and Seventy Lakhs Only</b>			



Status of non-cooperation with previous CRA (if applicable)- Not Applicable

Any other information - Not Applicable

Hyperlink/Reference to applicable Criteria

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

For any other criteria obtain hyperlinks from website

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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](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, 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 leading public sector 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, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 13,22,500 Cr. In addition, BWR has rated over 7000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹62,000 Cr have been rated.

BWR has rated over 30 PSUs/Public Sector banks, as well as many major private players. BWR has a major presence in ULB rating of nearly 102 cities

#### **DISCLAIMER**

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