



## Rating Rationale

### R S Roller Flour Mills

23 May 2017

#### **Brickwork Ratings reaffirms ratings for the Bank Loan Facilities aggregating to ₹ 13.50 Crores of R S Roller Flour Mills**

#### **Particulars:**

Facility	Limit		Tenure	Rating Assigned	
	Previous	Present		Previous (Sept, 2016)	Proposed
Term Loan	0.70	-	Long Term	BWR B+ (Pronounced as Single B Plus) <b>Outlook - Stable</b>	BWR B+ (Pronounced as Single B Plus) (Reaffirmed) <b>Outlook - Stable</b>
Cash Credit	5.00	5.00			
Warehouse Receipt	8.50	8.50			
<b>Total</b>	<b>14.20</b>	<b>13.50</b>	<b>INR Thirteen Crore and Fifty Lakhs only</b>		

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

#### **Reaffirmed**

#### **Rationale/Description of Key Rating Drivers/Rating sensitivities:**

BWR has principally relied upon the audited financial results up to FY16, provisionals of FY17, publicly available information and information/ clarifications provided by the company.

The rating has, inter alia, factored in the experienced management, improved gearing ratio, comfortable liquidity & debt protection metrics and future expansion plans of the firm. The rating is, however, constrained by small scale of business, low profitability margins & networth, limitations of the constitution of the firm as it is a partnership concern and competition from organized and unorganized sector.

#### **Rating Outlook: Stable**

BWR believes the R S Roller Flour Mills's 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 there is a sustained improvement in the revenues and profits of the company. The rating outlook may be revised to 'Negative' if the revenues and profits reduce due to non implementation of the same.

#### **About the Company**

R.S Roller Mill is partnership concern established in the year 2011 in Gadarpur, Uttarakhand. Mr. Vijay Kumar Munjal, Mr. Baldev Raj, Mr. Rakesh Munjal, Mr. Raj Kumar, Mr. Deepak Munjal, Mr. Ankit Munjal, Mr. Virendra Kumar and Ms. Bindu Rani are the partners in the firm. The firm has a flour mill that processes flour, semolina (Suji), chocker (as in Hindi) & wheat.



The Firm has two brands namely RS Bogh & Chandan Bhog. The firm has increased its processing capacity from 600 quintals per day to 700 quintals per day.

### **Company Financial Performance**

The company generated total operating revenue of Rs. 41.44 Crores in FY16 as against Rs. 29.08 Crores in FY15. PAT for FY16 was flat at Rs. 0.03 Cr.

### **Rating History for the last three years (including withdrawn/suspended ratings)**

Facility	Tenure	Rating Assigned (2017)		Rating History		
		Previous Amount (Rs. Crs)	Rating	2016	2015	2014
<b>Fund Based:</b>	Long Term	-	BWR B+ (Pronounced as Single B Plus) (Reaffirmed) <b>Outlook - Stable</b>	B+	B+	NA
Term Loan						
Cash Credit		5.00				
Warehouse Receipt		8.50				
<b>Total</b>		<b>13.50</b>	<b>INR Thirteen Crore and Fifty Lakhs only</b>			

### **Hyperlink/Reference to applicable Criteria**

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

### **DISCLAIMER**

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