for Informed Investment Decisions

Rating Rationale

Brickwork Ratings assigns BB- ratings for the Bank Loan Facilities aggregating ₹ 18.40 Cr of Shri Balaji Rohilkhand Rice Mills Pvt. Ltd

Brickwork Ratings has assigned following **Ratings**[1] for the Bank Loan Facilities of Shri Balaji Rohilkhand Rice Mills Private Limited. (SBRMPL or the "**Company**"):-

Facilitiy	Proposed Limits	Tenure	Rating Assigned
Fund Based			
Cash Credit	16.00	Long Term	BWR BB- Pronounced BWR Double B Minus (Outlook: Stable)
TL	2.40		
Total	**18.40**	**INR Eighteen Crores and Forty Lakhs Only**	

BWR has essentially relied upon audited financial results of Shri Balaji Rohilkhand Rice Mills Pvt. Ltd. upto FY16 and Projected financial for FY17, publicly available information and information provided by the management.

The rating has, inter alia, factored in the increase in scale of operations, comfortable debt protection metrics, decline in leverage levels and improvement in liquidity position. The rating is, however, constrained by low profitability margins and highly competitive nature of the industry.

Background:

The company got established in November 2011. The company is based out in Bareily Uttar Pradesh. The company is involved in rice milling business and major business activity takes place in Shahajahanpur in Uttar Pradesh

Financial Performance:

As per the audited financials for FY16, SBRMPL's operating income stood at Rs. 89.68 Crs. against Rs. 53.35 Crs. in FY15. Profit after tax for the company stood at Rs. 0.09 Crs. against a profit after tax of Rs. 0.06 Cr. Operating profit margin and net profit margin for the company stood at 2.88% and 0.10% respectively in FY16. ISCR and DSCR for the company stood at 1.60 times and 1.46 times respectively in FY16. Tangible networth for the company stood at Rs. 8.90 Cr. Current ratio for the company stood at 1.32 times in FY16 against 0.99 times in FY15 indicating comfortable liquidity position.

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

Rating Outlook:
The rating outlook is expected to be stable over the current year. Going forward scaling up of business, meeting projections and ensure timely servicing of debt would be the key rating sensitivities.

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