

**A R Dairy Food Pvt Ltd.**

**Brickwork Ratings downgrades the ratings for the Bank Loan facilities of ₹26.92 Cr of A R Dairy Food Pvt Ltd. based on best available information, as the issuer did not cooperate.**

Instruments / Facilities**	Amount (Rs.Crs)		Tenure	Rating#	
	Previous	Present		Previous December 2019	Present
Fund based	26.72	26.72	Long Term	BWR BBB- (Stable)	BWR BB (Stable) (Downgrade) Issuer Not Cooperating*
Non Fund Based	0.20	0.20	Short Term	BWR A3	BWR A4 (Downgrade) Issuer Not Cooperating*
<b>Total</b>	26.92	26.92	INR Twenty Six Crores and Ninety Two Lakhs Only		

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

\* Issuer did not cooperate, based on best available information.

\*\*Details of Bank facilities is provided in Annexure-I

**RATING ACTION**

In view of the non-availability of the information and lack of cooperation from the issuer, Brickwork Ratings has downgraded the rating to ‘BWR BB/Stable/A4 Issuer Not Cooperating’, for the bank loan facilities amounting to Rs.26.92 Crores of A R Dairy Food Pvt Ltd..

**OUTLOOK / NATURE OF NON-COOPERATION**

The rating was due for a review in December 2020. BWR took up the matter with the issuer to provide required information over emails and through telephone calls. Despite the best efforts of Brickwork Ratings to get the minimum required information for a review through emails and through telephone calls, the entity has not provided the same. The ratings were, therefore, migrated to the Rating not Reviewed category on 11th December 2020. In the absence of adequate information from the company, BWR is unable to assess the company’s financial performance and its ability to service its debt and maintain a valid rating. Hence, based on best available information and banker’s feedback, the rating is downgraded and migrated to the Issuer Not Cooperating\* category.

### 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.

### KEY FINANCIAL INDICATORS

Key Parameters	Units	FY19	FY18
Result Type		Audited	Audited
Operating Revenue	₹ Cr	202.64	249.02
EBITDA	₹ Cr	10.84	10.68
PAT	₹ Cr	2.01	1.62
Tangible Net worth	₹ Cr	30.02	28.96
Total Debt/Tangible Net worth	Times	1.66	1.75
Current Ratio	Times	1.37	1.47

### PROFILE OF THE COMPANY

The company was initially promoted by Mr. R. Rajasekaran, in the name of Sarayu Cryogenics Private Limited (Sarayu) during 1995. Sarayu was engaged in the manufacturing of liquid oxygen. During 1998, the name was changed to A R Dairy Food Private Limited and the entity commenced business of procuring & selling milk and milk products. The company's milk processing unit is located in Dindigul, Tamil Nadu and has an installed capacity of 3.5 lakh litre per day (LLPD). A.R Dairy Food Private Limited(ARDFPL) is primarily engaged in the manufacturing and marketing of milk.

The company also sells other products like milk powder, butter, curd, buttermilk, flavored milk and packaged drinking water. The milk and flavored milk are sold under its brand names – 'Raaj' and 'Milky Choice' respectively; packaged drinking water is marketed under brand names 'Raaj' and 'Maanus'.

### NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY - NIL

**RATING HISTORY FOR THE PREVIOUS THREE YEARS[Including Withdrawal and Suspended]**

Instrument / Facilities	Current Rating (2020)			Rating History		
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	Dec 2019	Aug 2018	June 2017
Fund Based	Long term	26.72	BWR BB (Stable) (Downgrade) Issuer Not Cooperating*	BWR BBB- (Stable)	BWR BBB- (Stable)	BWR BBB-(Stable)
Non-Fund Based	Short term	0.20	BWR A4 (Downgrade) Issuer Not Cooperating*	BWR A3	BWR A3	BWR A3
Total		26.92	INR Twenty Six Crores and Ninety Two Lakhs Only			

\*Issuer did not cooperate, based on best available information.

**COMPLEXITY LEVELS OF THE INSTRUMENTS**

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)

Analytical Contacts	
<b>Vijayalakshmi R</b> Ratings Analyst B :+91 044 24663326 <a href="mailto:vijayalakshmi.r@brickworkratings.com">vijayalakshmi.r@brickworkratings.com</a>	<b>R Varadarajan</b> Associate Director - Ratings B :+91 044 24663326 <a href="mailto:varadarajan.r@brickworkratings.com">varadarajan.r@brickworkratings.com</a>
<b>1-860-425-2742</b>	<a href="mailto:media@brickworkratings.com">media@brickworkratings.com</a>

**ANNEXURE I**

**A R Dairy Food Pvt Ltd. - Details of Bank Loan Facilities rated by BWR**

<b>Sl. No.</b>	<b>Name of the Bank</b>	<b>Type of Facilities</b>	<b>Long Term {(₹ Cr)}</b>	<b>Short Term (₹ Cr)</b>	<b>Total (₹ Cr)</b>
<b>1</b>	State Bank of India	Cash Credit	16.00	-	16.00
<b>2</b>		Bank Guarantee	-	0.20	0.20
<b>3</b>	YES Bank	Term loans*	7.93	-	7.93
<b>4</b>	Indusind Bank	Term loans*	2.79	-	2.79
<b>TOTAL</b>					<b>26.92</b>

**Total Rupees Twenty Six Crores and Ninety Two Lakhs only.**

\*Term loan o/s as on 30.11.19



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