

## Rating Report

### Brickwork Ratings assigns 'BWR B' for the Bank Loan facilities aggregating to ₹ 8.86 Cr of Alayna Industries.

Brickwork Ratings (BWR) has assigned the following **Ratings<sup>1</sup>** for the Bank Loan Facilities of ₹ 8.86 Cr of Alayna Industries (“AI” or “the Firm”):

Facilities	Amount (₹ Cr)	Tenure	Rating
<b>Fund Based</b>			
Term Loan	4.36*	Long Term	BWR B Outlook: Stable
FLC (Sub Limit of TL)	(1.60)		
Cash Credit	4.50		
<b>Total</b>	<b>8.86</b>	<b>(INR Eight Crores and Eighty Six Lakhs Only)</b>	

Note: \* Term Loan outstanding as on 8<sup>nd</sup> August, 2015.

BWR has essentially relied upon the provisional financial results of the firm upto FY15, projections for FY16 & FY17, publicly available information and information/clarifications provided by the management.

The rating draws strength from the favourable manufacturing location, commencing commercial production as per schedule and expected demand in the market. However, the ratings are constrained by promoters' limited experience in the rice processing industry, low financial flexibility due to partnership nature of the constitution, intense competition, exposure to volatility in raw material prices and the cyclicity inherent in the rice milling industry.

#### Background:

Alayna Industries was established in April 2014, and is promoted by Mrs. Nishtha Pachouri and Mr. Sunil Sharma. The firm is involved in manufacturing and supplying of Basmati Rice & Non-Basmati Rice and is located at Mandideep, Madhya Pradesh. The firm commenced commercial production in November 2014. It sells products under its registered brand name “Golden Bird” to Indian markets.

The firm has an installed capacity of 19,500 mtpa and processes different varieties of rice. It is ISO certified firm. Its major raw material is paddy, which is procured locally through dealers.

<sup>1</sup> Please refer to [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the Ratings

### Financial Performance:

Alayna Industries reported net sales of Rs. 13.08 Cr and PAT of Rs 0.27 Cr as per FY15 provisional figures. Tangible Net Worth stood at Rs. 3.20 Cr and Debt Equity Ratio was 3.40 times as on March 31, 2015.

The firm projected revenue of around Rs 75.00 Cr for FY16. However, the firm has achieved sales Rs 13.76 cr in Q1.

### Rating Outlook:

The rating outlook is expected to be stable over the current year. Going forward, the ability of the firm to achieve its projected revenue and profitability levels, the ability to manage working capital effectively, optimizing its capital structure and timely servicing of debt would be the key rating sensitivities.

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### Annexure I: Profit & Loss

<b>Crores</b>	<b>31/Mar/2015</b>	<b>31/Mar/2016</b>	<b>31/Mar/2017</b>	<b>31/Mar/2018</b>
<b>Result Type</b>	<b>Provisional</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
Gross Sales	13.08	75.00	100.00	110.00
<b>Net Sales</b>	<b>13.08</b>	<b>75.00</b>	<b>100.00</b>	<b>110.00</b>
<b>Total Operating Income</b>	<b>13.08</b>	<b>75.00</b>	<b>100.00</b>	<b>110.00</b>
<b>Operating Expenses</b>	<b>11.88</b>	<b>71.24</b>	<b>95.85</b>	<b>105.43</b>
<b>OPBDIT</b>	<b>1.20</b>	<b>3.76</b>	<b>4.15</b>	<b>4.57</b>
Depreciation/Amortization/Impairment	0.44	0.86	0.78	0.70
<b>OPBIT</b>	<b>0.76</b>	<b>2.90</b>	<b>3.37</b>	<b>3.87</b>
Interest and Finance Charges	0.49	1.77	1.55	1.53
<b>OPBT</b>	<b>0.27</b>	<b>1.13</b>	<b>1.82</b>	<b>2.34</b>
Non Operating Income(Expenses)	0.01	0.01	0.01	0.01
<b>PBT</b>	<b>0.27</b>	<b>1.14</b>	<b>1.83</b>	<b>2.35</b>
Provision for Taxes	0.00	0.09	0.22	0.29
<b>PAT</b>	<b>0.27</b>	<b>1.05</b>	<b>1.61</b>	<b>2.06</b>

## Annexure II: Balance Sheet

<b>Crores</b>	<b>31/Mar/2015</b>	<b>31/Mar/2016</b>	<b>31/Mar/2017</b>	<b>31/Mar/2018</b>
<b>Liabilities</b>	<b>Provisional</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
<b>PARTNERS CAPITAL AND RESERVES</b>	<b>2.09</b>	<b>4.11</b>	<b>5.67</b>	<b>7.68</b>
Partners capital	0.65	2.06	4.06	5.62
Additional Capital	1.16	1.00	0.00	0.00
Reserves and Surplus	0.27	1.05	1.61	2.06
<b>Non-current liabilities</b>	<b>8.19</b>	<b>7.17</b>	<b>8.27</b>	<b>7.26</b>
Long-Term Borrowings	6.67	7.17	8.27	7.26
Other Long Term liabilities	1.52	0.00	0.00	0.00
<b>Current liabilities</b>	<b>14.48</b>	<b>16.49</b>	<b>14.90</b>	<b>15.00</b>
Short-Term Borrowings	5.32	8.50	8.50	8.50
Trade Payables	9.00	7.54	5.80	5.90
Other Current Liabilities	0.15	0.45	0.60	0.60
<b>Total Liabilities</b>	<b>24.76</b>	<b>27.78</b>	<b>28.84</b>	<b>29.95</b>
<b>ASSETS</b>				
<b>Non-current assets</b>	<b>9.34</b>	<b>8.48</b>	<b>7.70</b>	<b>7.00</b>
Net Fixed assets	8.67	7.81	7.03	6.33
Non Current Investments	0.67	0.67	0.67	0.67
<b>Current assets</b>	<b>15.42</b>	<b>19.29</b>	<b>21.14</b>	<b>22.94</b>
Inventories	13.84	16.10	17.00	18.80
Trade Receivables < Six Months	0.64	3.05	3.98	3.99
Cash and Cash Equivalents	0.68	0.03	0.04	0.04
Other Current Assets	0.26	0.12	0.12	0.12
<b>Total Assets</b>	<b>24.76</b>	<b>27.78</b>	<b>28.84</b>	<b>29.95</b>