

## Rating Report

**Brickwork Ratings upgrades 'BWR BBB' Ratings for long term Bank Loan facilities and reaffirms 'BWR A3' for short term Bank Loan facilities aggregating ₹ 44.00 Crs enhanced from ₹ 30 Cr of Ankur Roller Flour Mills Pvt. Ltd.**

Brickwork Ratings has assigned/reaffirmed the following Ratings<sup>1</sup> for Bank Loan facilities amounting to ₹ 44.00 Crores of Ankur Roller Flour Mills Pvt. Ltd. (or 'Company')

Facility	Previous Limit ₹ in Crs	Present Limit ₹ in Crs	Tenure	Rating	Rating History (July 2014)
<b>Fund Based</b>	<b>14.00</b>	<b>20.00</b>	<b>Long Term</b>	<b>BWR BBB</b> (Pronounced BWR Triple B)  <b>Outlook: Stable</b> (Upgraded)	<b>BWR BBB-</b> (Pronounced BWR Triple B Minus)  <b>Outlook: Stable</b>
<b>Non-Fund Based</b>	<b>16.00</b>	<b>24.00</b>	<b>Short Term</b>	<b>BWR A3</b> (Pronounced BWR A Three) (Reaffirmed)	<b>BWR A3</b> (Pronounced BWR A Three)
<b>Total</b>	<b>30.00</b>	<b>44.00</b>	<b>INR Forty Four Crores only</b>		

BWR has principally relied upon the audited financial result of the Company up to FY15, publicly available information and information/clarifications provided by the company's management and feedback received from the Bank.

The rating continues to factor in, inter alia, the extensive experience of the promoters in the pulses industry, growth in revenue, established supply chain and customer channels, moderate gearing level and infusion of additional equity into the business by the promoters. The rating is, however, constrained by the low profit margins, competition from players in the unorganized sector, working capital intensive nature of the business and exposure to foreign exchange risk.

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

---

### **Background:**

Ankur Roller Flour Mills is a privately held company incorporated in 2004 having its corporate office at New Delhi. The company is in the business of Pulses Processing and its operations started in FY12. The promoters are Mr. Vipul Mittal and Mr. Kapil Mittal, who are also part of the management team in Hitech Grain Processing Private Limited, a company engaged in similar line of activity, but much larger.

ARFMPL's manufacturing plant is located at HSIIDC, Haryana, and it processes and manufacturers all varieties of pulses mainly dals including Chana Dal, Chana: Kabuli Chana & Kala Chana, Rajma, Tur Dal etc. Other than pulses there are by-products and secondary pulses also. ARFMPL is having its production facility at 573, Food Park, HSIIDC Industrial Estate, Haryana for processing of different pulses like dals, channa, rajmas, etc. It is selling the products in the brand name of Ankur. It is also doing job work for other customers. The raw materials are procured from mandis and also imported from countries like Tanzania, Austria, China, Indonesia, Brazil, South Africa, Canada, UAE etc. through its overseas suppliers. The Company has good relationship with several stockiest in India through which it markets their products to states like Punjab, UP, Delhi- NCR, J&K, Bihar, Maharashtra, Madhya Pradesh, etc.

### **Management Details:**

Mr. Vipul Mittal, Mr. Kapil Mittal and their family holds 100% shares of ARFMPL. Mr. Vipul Mittal is the Managing Director & Chief Executive Officer and Mr. Kapil Mittal is the Director & Chief Operating Officer of the Company. There are adequate numbers of technical and administrative staff, skilled and unskilled workers available at operational level.

### **Financial Performance:**

As per the audited financial statements for FY15, the Company reported a Total Operating Income of ₹ 200.53 Crs with a Net profit of ₹ 1.76 Crs against a Total Operating Income of ₹ 147.07 Crs with a Net profit of ₹ 1.26 Crs for FY14. Total Operating Income has increased by 36.35 per cent in FY15. The Net Profit Margin marginally improved from 0.86 per cent in FY14 to 0.88 per cent in FY15. TNW has increased from ₹ 17.99 Crs in FY14 to ₹ 19.74 Crs in FY15. Debt-to-Equity is 1.01 times and Current Ratio at 1.38 times in FY15.

### **Rating Outlook:**

The Company is expected to continue to show improving performance over the next one year. The rating reflects the position of the Company in the grain legume processing segment of the industry it caters to. Going forward, the Company's ability to effectively manage input costs, mitigate forex fluctuation risks with appropriate covers, improve margins and manage its working capital efficiently would be crucial to its performance and

are also the key rating sensitivities.

Analyst Contact	Relationship Contact
<a href="mailto:analyst@brickworkratings.com">analyst@brickworkratings.com</a>	<a href="mailto:bd@brickworkratings.com">bd@brickworkratings.com</a>
Phone	Media Contact
1-860-425-2742	<a href="mailto:media@brickworkratings.com">media@brickworkratings.com</a>

**Disclaimer:** Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

<b>Annexure I</b>		
<b>Ankur Roller Flour Mills Pvt. Ltd</b>		
<b>Statement of Profit and Loss</b>	<b>In ₹ Crores</b>	
	<b>FY14 (Audited)</b>	<b>FY15 (Audited)</b>
Gross Sales	146.49	199.14
<b>Net Sales</b>	<b>146.49</b>	<b>199.14</b>
Other Operating Income	0.53	1.40
<b>Total Operating Income</b>	<b>147.01</b>	<b>200.53</b>
Operating Expenses	140.99	195.26
<b>OPBDIT</b>	<b>6.02</b>	<b>5.28</b>
Depreciation/Amortization/Impairment	0.33	0.34
<b>OPBIT</b>	<b>5.69</b>	<b>4.94</b>
Interest and Finance Charges	2.23	2.25
<b>OPBT</b>	<b>3.46</b>	<b>2.69</b>
Non-Operating Income(Expenses)	-1.73	-0.36
<b>PBT</b>	<b>1.74</b>	<b>2.34</b>
Provision for Taxes	0.47	0.57
<b>PAT</b>	<b>1.26</b>	<b>1.76</b>

<b>Annexure II</b>		
<b>Ankur Roller Flour Mills Pvt. Ltd</b>		
<b>Balance Sheet</b>	<b>In ₹ Crores</b>	
	<b>FY14 (Audited)</b>	<b>FY15 (Audited)</b>
<b>EQUITY AND RESERVES</b>	<b>17.99</b>	<b>19.75</b>
Share capital	1.05	1.05
Share Application money Pending allotment	0.00	0.00
Reserves and Surplus	16.93	18.70
<b>Non-current liabilities</b>	<b>0.68</b>	<b>1.97</b>
Long-Term Borrowings	0.00	1.20
Deferred tax Liabilities (Net)	0.67	0.76
Long-Term Provisions	0.02	0.02
<b>Current liabilities</b>	<b>21.91</b>	<b>34.27</b>
Short-Term Borrowings	14.81	18.72
Trade Payables	6.96	15.45
Other Current Liabilities	0.08	0.06
Short-Term Provisions	0.06	0.04
<b>Total Liabilities</b>	<b>40.58</b>	<b>56.00</b>
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>8.54</b>	<b>8.75</b>
Net Fixed assets	8.47	8.57
Non-Current Investments	0.05	0.11
Long Term Loans and Advances	0.02	0.07
<b>Current assets</b>	<b>32.04</b>	<b>47.25</b>
Inventories	19.59	37.16
Trade Receivables < Six Months	6.17	6.15
Cash and Cash Equivalents	6.22	3.83
Short-Term Loans and Advances	0.05	0.10
<b>Total Assets</b>	<b>40.58</b>	<b>56.00</b>

<b>Annexure III</b>			
<b>Ankur Roller Flour Mills Pvt. Ltd</b>			
<b>Key Ratios</b>		<b>FY14 (Audited)</b>	<b>FY15 (Audited)</b>
Total Debt/ Tangible Net worth	Times	0.82	1.01
Interest Service Coverage Ratio	Times	2.70	2.35
Tangible Net Worth	₹ Crores	17.99	19.75
Net Profit Margin	Per cent	0.86	0.88
Net Cash Accruals/Total Debt	Times	0.24	0.14
Current Ratio	Times	1.46	1.38