

Rating Report

Brickwork Ratings reaffirms/assigns for additional amount of Rs.3crs Long term ratings at 'BWR B+' for the Bank Loan Facilities amounting to Rs.9.00Crores of Agrawal Dall Mills.

Brickwork Ratings has reaffirmed/assigned for additional amount of Rs.3.00crs rating¹ for the Bank Loan Facilities of Agrawal Dall Mills (ADM), total amounting to **Rs.9.00Crores** from Union Bank of India as follows:

Facility	Limit (₹ Crs)		Tenure	Previous Rating	Present Rating
	Previous	Present			
Fund Based					
Cash Credit	6.00	9.00	Long-Term	BWR B+ (Pronounced BWR B Plus) (Outlook:Stable)	BWR B+ (Pronounced BWR B Plus) (Outlook:Stable)
Total	6.00	9.00	(INR Nine Crores only)		

¹ Please refer to BWR website www.brickworkratings.com for definition of the rating assigned

BWR has essentially relied upon the audited financial results up to FY16 & audited financial up to FY18, publicly available information and information/clarification provided by the company's management.

The rating continues to factor in the partners' experience in Agro industry and increase in its total revenue. However, the rating is constrained by limitation of partnership concern, low profitability margins, weak liquidity position and stretched gearing level.

Background:

Agrawal Dall Mills (ADM) has been established as a partnership firm since the year 1984 by Mr.Rakesh Agrawal. Its office and manufacturing unit is located Damoh, Madhya Pradesh. The firm is engaged in processing of gram/ Channa, Masoor Dall etc. Major raw materials of the firms are pulses which are procured by Mandi auctions and rest from the farmers. The promoters and employees participate in auction for procurement of pulses of varied quality in the mandis from Damoh and nearby places during the arrival season every year. The important steps involved in production process is cleaning, milling, dehusking and cleaning and weighing and packaging.

Financial Performance:

During FY16, firm's net revenue was Rs.64.54Crores and PAT was Rs.0.35Crores against net revenue of Rs.39.12Crores and PAT of Rs0.33Crores in FY15. The Operating profit margins and Net profit margins were 2.48%% and 0.71% respectively. Tangible Net-worth was Rs.2.56Crores. Further the current ratio stood at 1.29 as on FY16.

Rating Outlook:

The firm's performance over the next year is expected to be stable. Going forward, the ability of the firm to maintain and increase its turnover, increase its profitability, improve its gearing level with ability to pay off its short term obligations and improve margins will be key rating sensitivities.

Analyst Contact	Relationship Contact
analyst@brickworkratings.com	bd@brickworkratings.com
Phone	Media Contact
1-860-425-2742	media@brickworkratings.com

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Agrawal Dall Mills
Annexure – I
Profit and Loss Account

Crores	FY14	FY15	FY16
Result Type	Audited	Audited	Audited
Gross Sales	37.42	39.12	64.54
Net Sales	37.42	39.12	64.54
Total Operating Income	37.42	39.12	64.54
Operating Expenses	36.51	38.03	62.93
OPBDIT	0.91	1.08	1.60
Depreciation/Amortization/Impairment	0.08	0.09	0.10
OPBIT	0.83	0.99	1.50
Interest and Finance Charges	0.65	0.88	1.26
OPBT	0.18	0.11	0.24
Non-Operating Income(Expenses)	0.04	0.22	0.10
PBT	0.21	0.33	0.35
PAT	0.21	0.33	0.35
P/L Check	0.00	0.00	0.00

**Agrawal Dall Mills
Annexure – II**

Balance Sheet

Crores	FY14	FY15	FY16
Liabilities			
Equity and Reserves	1.69	2.39	2.56
Share capital	1.48	2.06	2.22
Reserves and Surplus	0.21	0.33	0.35
Non-current liabilities	0.23	0.11	0.61
Long-Term Borrowings	0.23	0.11	0.61
Current liabilities	6.46	9.19	8.71
Short-Term Borrowings	5.73	9.02	8.52
Trade Payables	0.72	0.17	0.18
Short-Term Provisions	0.01	0.01	0.01
Total Liabilities	8.39	11.70	11.89
ASSETS			
Non-current assets	0.46	0.68	0.61
Net Fixed assets	0.46	0.68	0.61
Current assets	7.93	11.02	11.28
Inventories	4.55	5.67	7.65
Trade Receivables < Six Months	2.93	1.92	2.50
Cash and Cash Equivalentents	0.44	3.41	1.06
Other Current Assets	0.01	0.01	0.07
Total Assets	8.39	11.70	11.89

**Agrawal Dall Mills
Annexure – III**

Key Financial Ratios

Crores	FY14	FY15	FY16
Long Term Borrowings	0.23	0.11	0.61
Short Term Borrowings	5.73	9.02	8.52
Current Portion Of Long Term Debt	0.00	0.00	0.00
Total Debt	5.96	9.13	9.13
Total Debt (Analysed)	5.96	9.12	8.88
Tangible Net Worth	1.69	2.39	2.56
Tangible Net Worth (Analysed)	1.69	2.40	2.81
Capital Employed	7.66	11.52	11.69
Total Debt/TNW	3.52	3.82	3.56
Total Debt/TNW(Analysed)	3.52	3.80	3.16
Long Term Debt/TNW	0.14	0.05	0.24
TOL/TNW	3.95	3.89	3.54
ISCR	1.40	1.23	1.28
ISCR(Analysed)	1.82	1.58	1.65
DSCR	1.45	1.42	1.34
DSCR(Analysed)	1.45	0.42	1.30
Net Cash Accruals/Total Debt	0.05	0.05	0.05
Net Cash Accruals/Long Term Debt	1.27	3.75	0.74
Net Cash Accruals/Long Term Debt(Analysed)	1.27	4.06	1.25
Net Profit Margin	0.57	0.84	0.54
Operating Profit Margin	2.43	2.77	2.48
ROCE	10.83	10.33	12.92
Current Ratio	1.23	1.20	1.29
Current Ratio(Analysed)	1.23	1.20	1.29
Days Receivables	29	23	12
Days Inventory	47	52	41
Days Payable	7	4	1
Conversion Cycle	68	70	53

As Per BWR Calculations