

April 01, 2016

Facility	Amount (Rs. Crore)	Rating
Cash Credit	8.85	SMERA B/Stable (Assigned)

SMERA has assigned rating of '**SMERA B' (read as SMERA B)** to the Rs.8.85 crore bank facility of Aligarh Roller Flour Mills Private Limited (Aligarh Flour Mill). The outlook is '**Stable**'. The rating is constrained by the moderate scale of operations, low profitability. The rating is further constrained by the deteriorating debtor profile, full utilisation of bank limit for the period September 2015 to February 2015 and intense competition in the fragmented food processing industry. However, the rating draws support from the experienced management, diversified product profile and customer base.

Outlook-Stable

SMERA believes Aligarh Flour Mill will maintain a stable business risk profile over the medium term owing to its experienced management. The outlook may be revised to 'Positive' if the company registers sustained growth in revenues while improving profitability and debt protection metrics. Conversely, the outlook may be revised to 'Negative' in case of deterioration in the financial risk profile.

Rating Sensitivity Factors

- Scaling up of operations while improving profit margins
- Improvement in the financial risk profile

About the Company

Aligarh Flour Mill was established in 1987 by Mr. Rampal Juneja and Mr. Bankey Lal Agarwal. The company is engaged in the manufacture of food products including flour, bran, maida among others. For FY2014-15, the company reported profit after tax (PAT) of Rs.0.12 crore on operating income of Rs.57.49 crore, as compared with PAT of Rs.0.21crore on operating income of Rs.51.28 crore for FY2013-14. The net worth stood at Rs.6.24 crore as on March 31, 2015, as compared with Rs.5.98 crore a year earlier.



Aligarh Roller Flour Mills Private Limited (Aligarh Flour Mill)

*Rating
Rationale*

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