



Press Release

Ashirvad Food Products Pvt Ltd (AFPPL)

December 22, 2020

Ratings

| Instrument Facility / | Amount (Rs. Crore) | Ratings | Rating Action |
|--|--|--|--|
| Long Term Bank Facility - CC | 20.64 | IVR B+; ISSUER NOT COOPERATING (IVR B Plus; ISSUER NOT COOPERATING) | Revised from IVR BB-/Stable Outlook (IVR Double B minus with Stable Outlook) and Moved to Issuer Not Cooperating |
| Short Term Bank Facility – Letter of Credit | 0.25 | IVR A4; ISSUER NOT COOPERATING* (IVR A Four; Issuer Not Cooperating) | Reaffirmed IVR A4 (IVR A Four) and Moved to Issuer Not Cooperating |
| Short Term Bank Facility – Bank Guarantee | 5.63 | IVR A4; ISSUER NOT COOPERATING* (IVR A Four; Issuer Not Cooperating) | Reaffirmed IVR A4 (IVR A Four) and Moved to Issuer Not Cooperating |
| Short Term Bank Facility – Proposed Bank Guarantee | 1.48 | IVR A4; ISSUER NOT COOPERATING* (IVR A Four; Issuer Not Cooperating) | Reaffirmed IVR A4 (IVR A Four) and Moved to Issuer Not Cooperating |
| Total | 28.00 (Rs. Twenty-Eight Crore Only) | | |

**Issuer did not cooperate; based on best available information*

Details of Facility are in Annexure 1

Detailed Rationale

The rating revision is because of lack of adequate information regarding Ashirvad Food Products Pvt Ltd (AFPPL)'s performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.



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Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide E-mail communications dated December 7th, 2020, December 11th, 2020 and December 14th, 2020 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted surveillance fees and all the essential details required for detailed review of the assigned ratings.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long-term ratings for the bank loan facilities aggregating to INR 28.00 Crore of Ashirvad Food Products Pvt Ltd shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the revised rating be noted as 'IVR B+: Issuer Not Co-operating; based on best available information (IVR B Plus: Issuer Not Co-operating) and IVR A4(Issuer Not Co-operating); based on best available information.

Analytical Approach & Applicable Criteria:

Standalone

Guidelines on what constitutes Non-Cooperation by clients

Rating Methodology for Manufacturing companies

Financial Ratios & Interpretation (Non-Financial Sector)

About the Company

- Incorporated in December 11, 2003, Purulia based Ashirvad Food Products Pvt Ltd (AFPPL) was promoted by one Mr. Dinesh Agarwal. However from 2011 onwards, Mr. Lalit Kumar Poddar took over AFPPL from Mr. Agarwal by purchasing the company. Since 2011, Mr. Poddar and his nephew Mr. Sarvesh Poddar look after the operations of the company.
- The manufacturing facility of the company is located at Purulia with an installed capacity of 173815 MTPA for Atta, 105300 MTPA for Maida, 7020 MTPA for Suji & 7020 MTPA for Bran.
- The company is operating under the Priority Sector under essential commodities in the category of MSME sector. They obtain governmental contracts where they process wheat and supply is done as per instruction of Government of West Bengal under Public Distribution System (PDS) to serve the Below Poverty Line (BPL) quota.



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- Also, the company manufactures other items like Maida, Bran, Suji. The remaining produce is sold in bulk to retailers like Hindustan Unilever Ltd, Ganesh Grains Ltd., etc.
- The company has launched its products, i.e. Atta, Maida, & Suji in different consumer packs under the Brand name of “SWASTHATM.

Financials (Standalone)

(Rs. Crore)

| For the year ended* / As On | 31-03-2018 | 31-03-2019 |
|-----------------------------|------------|------------|
| | Audited | Audited |
| Total Operating Income | 49.98 | 54.35 |
| EBITDA | 3.19 | 2.66 |
| PAT | 0.05 | 0.08 |
| Total Debt | 21.82 | 24.27 |
| Tangible Net worth | 9.45 | 9.53 |
| EBITDA Margin (%) | 6.39 | 4.89 |
| PAT Margin (%) | 0.09 | 0.14 |
| Overall Gearing Ratio (x) | 2.31 | 2.55 |

* As per Infomerics Standard

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

| Sr. No. | Name of Instrument/ Facilities | Current Rating (Year 2020-21) | | | Rating History for the past 3 years | | |
|---------|--------------------------------|-------------------------------|--------------------------------|--------------------------------|---|---|---|
| | | Type | Amount outstanding (Rs. Crore) | Rating | Date(s) & Rating(s) assigned in 2019-20 | Date(s) & Rating(s) assigned in 2018-19 | Date(s) & Rating(s) assigned in 2017-18 |
| 1. | Cash Credit | Long Term | 20.64 | IVR B+; ISSUER NOT COOPERATING | IVR BB-/Stable Outlook | - | - |



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| Sr. No. | Name of Instrument/ Facilities | Current Rating (Year 2020-21) | | | Rating History for the past 3 years | | |
|---------|--------------------------------|-------------------------------|--------------------------------|---------------------------------|---|---|---|
| | | Type | Amount outstanding (Rs. Crore) | Rating | Date(s) & Rating(s) assigned in 2019-20 | Date(s) & Rating(s) assigned in 2018-19 | Date(s) & Rating(s) assigned in 2017-18 |
| | | | | | (December 13, 2019) | | |
| 2. | Letter of Credit | Short Term | 0.25 | IVR A4; ISSUER NOT COOPERATING* | IVR A4 (December 13, 2019) | - | - |
| 3. | Bank Guarantee | Short Term | 5.63 | IVR A4; ISSUER NOT COOPERATING* | IVR A4 (December 13, 2019)) | - | - |
| 4. | Proposed Bank Guarantee | Short Term | 1.48 | IVR A4; ISSUER NOT COOPERATING* | IVR A4 (December 13, 2019)) | - | - |

* Issuer did not cooperate; based on best available information

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Firm's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and



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information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facility

| Name of Facility | Date of Issuance | Coupon Rate/ IRR | Maturity Date | Size of Facility (Rs. Crore) | Rating Assigned/ Outlook |
|--|------------------|------------------|---------------|------------------------------|---------------------------------|
| Long Term Bank Facility - CC | - | - | - | 20.64 | IVR B+; ISSUER NOT COOPERATING* |
| Short Term Bank Facility – Letter of Credit | - | - | - | 0.25 | IVR A4; ISSUER NOT COOPERATING* |
| Short Term Bank Facility – Bank Guarantee | - | - | - | 5.63 | IVR A4; ISSUER NOT COOPERATING* |
| Short Term Bank Facility – Proposed Bank Guarantee | - | - | - | 1.48 | IVR A4; ISSUER NOT COOPERATING* |

* Issuer did not cooperate; based on best available information