

Rating Rationale

Victoria Foods Pvt. Ltd.

17th July, 2017

Brickwork Ratings reaffirms ratings for the Bank Loan Facilities of Victoria Foods Pvt. Ltd.

Particulars :

Facility Rated	Previous Amount (Rs. Crs)	Current Review Amount (Rs. Crs)	Tenure	Previous Rating	Current rating
<u>Fund Based</u>					
Cash Credit	42.00	42.00	Long Term	BWR BBB- (Pronounced as BWR Triple B Minus) (Outlook : Stable)	BWR BBB- (Pronounced as BWR Triple B Minus) (Outlook : Stable) Reaffirmed
<u>Fund Based</u> Overdraft	18.00	18.00			
<u>Fund Based</u> Term Loan (o/s)	22.23	23.27			
<u>Non Fund Based</u> LC	40.00	76.00	Short Term	BWR A3	BWR A3 (Pronounced as A Three) Reaffirmed
Total	122.23	159.27	INR One Hundred Fifty Nine Crore and Twenty Seven Lakh Only		

* Please refer to BWR website www.brickworkratings.com/ for definition of the ratings.

Long Term Rating Reaffirmed; Short term Rating Reaffirmed

Rationale/Description of Key Rating Drivers/Rating sensitivities:

The assigned ratings derive comfort from the promoters' experience in the agro-based line of business, y-o-y growth in sales, continuous improvement in profit margins, increase in net worth, improvement in debt protection metrics, besides established brand name "Rajdhani" along with a diversified product portfolio in value-added food grains and pulses, and long standing relations with its suppliers and customers. However, the ratings are constrained by high gearing ratios, relatively low profit margins, poor liquidity ratios which are below industry standards, besides competition from players in the unorganized as well as organized sectors.

Rating Outlook: Stable

BWR believes the *Victoria Foods Pvt. Ltd.*'s business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The

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rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company

Victoria Foods Private Limited (VFPL) was incorporated in 1983 as a private limited company in - Lawrence Road, New Delhi. VFPL is engaged in the production and sale of agro-based food products like wheat based products, pulses, pasta etc. under the “Rajdhani” brand. Its products are sold all over India and in overseas markets of Central America, North Europe, the Middle East and East Asian countries. The company has six manufacturing units based at Lawrence Road Industrial Area (New Delhi), Kundli (Haryana), Jalgaon (Maharashtra) and Rai (Haryana).

Company Financial Performance

Total operating income has improved from Rs 492.37 Cr in FY15 to Rs 685.65 Cr in FY16 and PAT has increased from Rs 1.70 Cr in FY15 to Rs 3.81 Cr in FY16. As per FY17 provisional financial data, the company has achieved turnover of Rs 669.26 Cr in FY17.

Rating History for the last three years: (including withdrawn/suspended ratings)

S.No.	Instrument/Facility	Current Rating (Year 2017)			Rating History	
		Type	Amount (Rs Crs)	Rating	2016	2015
1.	Cash Credit	Long Term	42.00	BWR BBB- (Outlook : Stable)	BWR BBB-	NA
2.	Overdraft		18.00			
3.	Term Loan(o/s)		23.27			
4.	LC	Short Term	76.00	BWR A3	BWR A3	NA
			Rs 159.27 Cr (INR One Hundred Fifty Nine Crore and Twenty Seven Lakh Only)			

Status of non-cooperation with previous CRA (if applicable) - NA

Any other information – NIL

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)
- [Trading Entities](#)
- [Short Term Debt](#)



For any other criteria obtain hyperlinks from website

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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

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.

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