

Rating Rationale

Brickwork Ratings assigns ratings for the Bank Loan facilities aggregating ₹ 20.00 Cr of Curry Mantra Foods Private Limited

Brickwork Ratings has assigned the following **Ratings¹** for the Bank Loan facilities availed by Curry Mantra Foods Private Limited ('CMFPL' or the 'Company'):-

Facilities		Proposed Limits(Cr)	Amount to be Rated(Cr)	Tenure	Rating Assigned
Fund Based	Cash Credit	5.00	5.00	Long Term	BWR B+ (Pronounced as BWR Single B Plus) Outlook: Stable
Non Fund Based	Inland Letter of Credit	15.00	15.00	Short Term	BWR A4 (Pronounced as BWR Single A Four)
Total		20.00	20.00	(INR Twenty Crores Only)	

BWR has essentially relied upon the audited financial statements for upto FY16, projections for FY17 and FY18, publicly available information and information/clarifications provided by the management.

The rating has, inter alia, factored in the extensive experience of one promoter in similar line of business, strong debt protection profile, efficient working capital management, company's plan to expand its market from domestic to foreign as well, infusion of equity and unsecured loans by promoters in FY17. However, the rating is constrained by low profit margins, low tangible net worth, high gearing and decline in operating Income.

Background and Owner Ship Management

Curry Mantra Foods Private Limited (CMFPL) is a private limited company incorporated in August 2012 by Directors, Mr. Arun Goel and Mrs. Ritu Goel. The company's registered office is located at Shivaji Marg, New Delhi. The company was later taken over by Directors, Mr. Hitendra Jain, who has an experience of more than 2 decades in similar line of business and Mr. Chaman Goel who is son of Mr. Arun Goel in March 2016. However, Mr. Chaman Goel has resigned recently as director and Mrs Ritu Goel has again become director of the company. The company is purely into trading of Agro Commodity products. The company is currently trading Rice, Pulses and Beans domestically as of now. The company is deriving its revenue through both trading and through consignments in which the company sells products of other companies on commission basis. The company is currently buying and selling its products to customers and suppliers based out of New Delhi Only.

The company has now planned to expand its business operations by importing and exporting of Rice, beans and pulses in 9MFY17. The company is planning to import beans and pulses at 28000 MT. Further, The company is planning to export rice at 9000MT and sales in domestic

¹ Please refer to www.brickworkratings.com for definition of the Ratings

market at 14000 MT. The company also has a group concern, Cucku Enterprises Private Limited which is also a agro based company.

Financial Performance:

The company reported Total operating Income of Rs. 137.71 crores in FY16 as against Rs.264.84 crores in FY15, decline in revenue is mainly due to large price fluctuations in Rice Industry with a net profit of Rs. 0.11 Cr in FY16, as against net profit of Rs. 0.06 Cr in FY 15. The Operating Profit Margins stood at 0.13% in FY15 as against 0.04% in FY14. The company's current ratio stood at 1.29x with Tangible Net worth(Analyzed) at 1.09 Cr. The promoters are planning to infuse equity of 4.00 Cr and quasi equity of 4.25 Cr in FY17.

Rating Outlook:

The Rating outlook is expected to be stable in near term. Going forward, the ability of the firm to increase its scale of operations by achieving projected financial indicators, increase its net worth by infusing equity and quasi equity would be the key rating sensitivities.

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