



Rating Rationale

Mohan Milk Processing Plant

17th July, 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Mohan Milk Processing Plant

Particulars

Facility Rated	Current Review Amount (Rs. Crs)	Tenure	Recommended rating
Fund Based CC	0.80	Long Term	BWR B- (Pronounced as BWR Single B Minus) Outlook : Stable
Fund Based Term Loan (o/s)	3.36		
Total	Rs 4.16 Crores (INR Four Crore and Sixteen Lakh Only)		

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

The assigned rating derives comfort from the experienced promoters in the dairy business, besides improvement in turnover as per the 9MFY17 financial data and locational advantages due to proximity to raw milk suppliers. However, the rating is constrained by a nascent stage of operations, relatively low revenue from operations, low networth and poor operating profit margins as per the 9MFY17 data, besides weak solvency position owing to high gearing ratios and very weak debt protection metrics.

Rating Outlook: Stable

BWR believes the *Mohan Milk Processing Plant'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 rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company

M/s Mohan Milk Processing Plant is a partnership firm was established in 2012 at Bhagwanpur, Uttarakhand. The firm is managed by partners Mr. Rohit Singh, Ms. Mrinali Singh and Mr. Shishir Singh. The firm is in the business of milk processing and produces various products like curd, paneer, ghee and milk under its own brand name "Mmilk".

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Company Financial Performance

Total operating income has improved from Rs 0.48 Cr in FY15 to Rs 12.82 as per 9MFY17 provisional financial data and PAT improved from Rs -(0.82)0 Cr in FY15 to Rs -(0.55) Cr as per 9MFY17 provisional financial data. As per advises from the firm, they have achieved sales of approximately Rs 22.00 Cr with PAT of approximately Rs 0.12 Cr in FY17 (provisional data).

Rating History for the last three years: (including withdrawn/suspended ratings)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	2014
1.	CC	Long Term	0.80	BWR B- Outlook : Stable	NA	NA	NA
2.	Term Loan(o/s)	Short Term	3.36				
			Rs 4.16 Crores (INR Four Crore and Sixteen 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](#)
- [Short Term Debt](#)
- [Trading Entities](#)

Analytical Contacts	Media
Ashwini Mital Sr. G. M. Ratings	media@brickworkratings.com
analyst@brickworkratings.com	Relationship Contact bd@brickworkratings.com
Phone: 1-860-425-2742	

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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.

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