

Rating Rationale

Samruddha Food Products Private Limited

13th November 2017

Brickwork Ratings assigns 'BWR B- (Outlook: Stable)' ratings for the Bank Loan Facilities of Rs. 11.36 Cr of Samruddha Food Products Private Limited

Particulars

Facility Rated		Amount (Rs. Crs)	Tenure	Rating*
Fund Based				
Term Loan	Existing	0.86	Long Term	BWR B- (Pronounced BWR Single B Minus) [Outlook: Stable]
Term Loan	Proposed	7.50		
Cash Credit		3.00		
Total		11.36	Rupees Eleven Crore Thirty Six Lakhs Only.	

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the Audited Financial Statements from FY15 to FY17 and Projected Financial Statements of Samruddha Food Products Private Limited (SFPPPL) for FY18 & FY19, publicly available information and information / clarification provided by the SFPPPL management.

The rating draws strength from the experienced promoters & directors, product portfolio of business. The rating is however constrained by initial stage of operations, competition from other players.

Going forward, the Company's ability to improve profitability, timely debt servicing and manage its working capital efficiently will be the key rating sensitivities.

Key Rating Strengths:

Experienced Promoters & Directors: Mr. Vinay Rohidas Patil, Mr. Anurag Bahadur, Mr. Ashish Bahadur are the main promoters & directors of the SFPPPL. They have an experience of 23, 18 & 25 years of experience respectively in the business of dairy industry & textile business.

Product Portfolio of Business: SFPPPL product portfolio consists of dairy products like Milk, Ghee, Paneer, Butter Milk, Curd, Shreekhand, Lassi etc.

Key Rating Weakness:

Initial Stage of Operations: SFPPL has commenced the commercial operations of processing and selling of pouch milk on 1st April, 2017.

Competition from Other Players: The Dairy Industry is highly fragmented and competitive with the presence of a few organized and several unorganized players.

Rating Outlook: Stable

BWR believes the **Samruddha Food Products Private Limited** 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 Samruddha Food Products Private Limited is a private limited company was incorporated in the year 2011. The company is in the business of Manufacturing & Selling of Dairy Products.

SFPPL manufactures & sells various types of Dairy Products manufactured out of milk supplied by M/s. Dhule Taluka Dudh Utpadak Krushipurak Udyog Sahakari Sangh. It has not recorded any Exports or Imports so far. It commenced its operations on 1st April, 2017.

Company Financial Performance

The commercial operations of the company are started on 1st April, 2017.

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

Sl. No.	Instrument / Facility		Current Rating (Year 2017)			Rating History		
			Type	Amount (Rs in Cr)	Rating	2016	2015	2014
1	Term Loan	Existing	Long Term	0.86	BWR B- (Outlook: Stable)	NA	NA	NA
2	Term Loan	Proposed		7.50		NA	NA	NA
3	Working Capital			3.00		NA	NA	NA
Rs. 11.36 Cr (Rupees Eleven Crores Thirty Six Lakhs Only)								

Hyperlink/Reference to Applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)



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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

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