

Rating Rationale

Shri Hamika Poultry Farm

17th April 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs 5.34 Crs of Shri Hamika Poultry Farm (The Firm) or (SHPF).

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
Fund Based		Long Term	BWR B Outlook: Stable (BWR B)
Cash Credit	4.10		
Term Loan	1.24		
Total	Rs 5.34 Crores	(Rupees Five Crores Thirty Four Lakhs Only)	

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

Rating assigned

Rationale/Description of Key Rating Drivers/Rating sensitivities:

The Rating has factored, Promoters experience in poultry industry, adequate liquidity position, comfortable coverage ratio, However the rating is constrained by small scale of operations, low networth, high gearing profile , low profitable margins , inherent risk of the constitution , working capital intensive operations, intense competition from the peers.

The ability of the firm to Scale up the operations, improve the profitability margins reduced the gearing level, Prompt repayments of its obligations will be the key rating sensitivities.

Rating Outlook: Stable

BWR believes the **Shri Hamika Poultry Farm** 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 Firm

Shri Hamika Poultry Farm was established as a Proprietorship firm in 2007. The firm registered office and the poultry farm is located at Guladhalli Village, Koppal Taluk & district, Karnataka. The firm is involved in breeding of layers and wholesale trading of eggs and chickens. Mr. Ram Babu is the Proprietor of the firm who has more than 20 years of experience in poultry business. The firm's poultry farm covers an area of 15.5 acres and the installed capacity is 2.00 lakhs of chickens.

Firm Financial Performance

Shri Hamika Poultry Farm has reported a Total operating income of Rs 15.70 Crs and PAT of Rs 0.12 Crs in FY 16.

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	2016	2015	2014
1	Cash Credit	Long Term	4.10	BWR B Outlook:Stable (BWR B)	Not rated	Not rated	Not rated
4	Term Loan		1.24				
Total			5.34	(Rupees Five Crores Thirty Four Lakhs Only)			

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Poultry Industry](#)

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

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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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