



Rating Rationale

Shri Shanker Gauri Agro Product Private Limited

1st March 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs. 28.91 Crores of Shri Shanker Gauri Agro Product Private Limited, Bundi , Rajasthan

Particulars

Facility Rated	Amount (Rs. Cr.)	Tenure	Rating*
Fund Based			
Cash Credit	23.01	Long Term	BWR B+ (Outlook: Stable)
Sub Limit Cash Credit (Book Debts 90 days)	(5.00)		
Term Loan	5.90		
Total	28.91	INR TWENTY-EIGHT CRORES NINETY-ONE LAKHS ONLY	

*Please refer to BWR website www.brickworkratings.com for definition of the rating assigned.

Note: The aforesaid facilities are sanctioned/ availed from Bank of Baroda

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial results for the period FY14 to FY16 and projected financials for the period FY17 to FY18 of Shri Shanker Gauri Agro Product Private Limited ('SSGAPPL' or 'the Company'), publicly available information and information/clarification provided by the Company's management/Bank. The rating necessarily factors in, the promoters experience in the rice milling industry and its capacity to cater the staple and basic food i.e. rice, to the majority section of the society The rating is constrained by highly competitive nature of the industry in which the Company operates, shown by thin net profit margins, vulnerability of the Company's profitability to agro climatic risks and high capital gearing ratios in FY16.

Rating Outlook: Stable

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

Shri Shanker Gauri Agro Product Private Limited ('SSGAPPL' or 'the Company') was established in the year 1973, by late Shri Radheyshyam Maheshwari under the name "Shri Shanker Udyog" in Bundi, Rajasthan, currently led by his younger brother Shri Satya Narayan Maheshwari. The Company is based at Bundi in Rajasthan, and spread across its owned premises of 40,000 Square Feet. It has a large vertically integrated ultra-modern clean-room agro products manufacturing facility which mills 254 Metric Tonnes of material every day. It is a fully automated rice milling plant, equipped with warehouse to store approximately 15,000 Metric Tons of Food Grains at a time. The Company sells under its own registered brands viz. "Makhmal", "Rajnigandha" and "Haseena" in the major basmati consuming cities in India, apart from the international market.

The Directors of the Company, Shri Satyanarayan Maheshwari and Smt Seema Maheshwari oversee the entire day to day operations and administration of the Company. The Promoter-Directors have been in the field of rice milling over a few decades.

Company Financial Performance

The company reported an increase in Net Sales from Rs.95.95 Cr. in FY 15 to Rs.99.77 Cr. in FY16. The operating profit for FY16 decreased to Rs.3.78 Cr compared to Rs.4.70 Cr in FY15. The Net profits stand at Rs.0.60 Cr. in FY16. The tangible net worth of the company for the FY16 stood at Rs.7.88 Cr. compared to Rs.7.37 Cr. in FY15. The company has unsecured loan from promoters and friends of Rs.6.65 Cr. The Total Debt stood at Rs.32.11 Cr. in FY16.

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

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History			
		Type	Amount (Rs Crs)	Rating	2016	2015	2014	
		Fund Based			Amount (Rs Crs)	Rating		
1	Cash Credit	Long Term	23.01	BWR B+ (Outlook: Stable)	NA	NA	NA	NA
	Sub Limit Cash Credit (Book Debts 90 days)		(5.00)		NA	NA	NA	NA
2	Term Loan		5.90		NA	NA	NA	NA



Hyperlink/Reference to applicable Criteria

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

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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.