

## Rating Rationale

### Shri Shri Niwasji Oil Refiners Pvt Ltd

20<sup>th</sup> Mar 2017

**Brickwork Ratings assigns ratings for the Bank Loan Facilities of Shri Shri Niwasji Oil Refiners Pvt Ltd**

#### Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
<b>Fund Based Cash Credit</b>	<b>7.00</b>	<b>Long Term</b>	<b>BWR B Outlook: Stable</b>
<b>Total</b>	<b>Rs. 7.00Crores (Rupees Seven Crores Only.)</b>		

\* Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

#### **Rationale/Description of Key Rating Drivers/Rating sensitivities:**

BWR has principally relied upon the audited financial statements from FY14 to FY16 and projections of FY17, publicly available information and information / clarifications provided by the management.

The rating, inter alia, factors the long standing experience of the promoters and long term relationship with customers and suppliers.

However, the rating is constrained by the small scale of operations, working capital intensive nature of business, low profitability margins and cyclical nature of industry.

#### **Rating Outlook: Stable**

BWR believes the **Shri Shri Niwasji Oil Refiners Pvt Ltd** 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

Shri Shri Niwasji Oil Refiners Private Limited (SSNORPL) was incorporated in year 1980. Company's manufacturing unit is located in Raebareli, Uttar Pradesh. Company is in the business of manufacturing of solvent extraction oil, rice bran oil and oil cake. Manufacturing plant has installed capacity of 45,000 Tonnes Per Annum for rice bran oil, and 60,000 Tonnes Per Annum for oil cake.

## Company Financial Performance

Revenue and PAT of the company stood at Rs. 25.95Cr and Rs. 0.19Cr respectively in FY16 compared to Revenue and Net Loss of Rs. 26.72 Cr and (0.51 Cr) respectively in FY15. Net worth of the firm stood at Rs. 2.58Cr in FY16 compared to Rs. 2.39Cr in FY15.

## Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	NA	NA	NA
1	Cash Credit	Long Term	7.00	BWR B (Outlook: Stable)	NA	NA	NA

<p><b>Hyperlink/Reference</b></p> <ul style="list-style-type: none"> <li>▪ <a href="#">General Criteria</a></li> <li>▪ <a href="#">Approach to Financial Ratios</a></li> </ul>	<p><b>to</b></p>	<p><b>Applicable</b></p> <ul style="list-style-type: none"> <li>▪ <a href="#">Manufacturing Companies</a></li> <li>▪ <a href="#">Short Term Debt</a></li> </ul>	<p><b>Criteria</b></p>
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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](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto: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.