



Rating Rationale

Tirupati Solvent Extractions & Refineries Pvt Ltd

5th May 2017

Brickwork Ratings reaffirms the ratings for the enhanced Bank Loan Facilities of Rs. 7.00 Crs of Tirupati Solvent Extraction & Refineries Pvt Ltd.

Particulars

Facility Rate*	Amount (Rs. Crs)		Tenure	Rating ^	
	Previous	Present		Previous	Present
Fund Based	5.87	7.00	Long Term	BWR B+ Outlook: Stable	Reaffirmed at BWR B+ Outlook: Stable
Total	5.87	Rs. 7.00 Crores (Rupees Seven Crores Only).			

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

* Details of the rated facilities have been mentioned in the annexure.

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the audited financial results up to FY16, projected financials of **Tirupati Solvent Extraction & Refineries Pvt Ltd** up to FY18, publicly available information and information/ clarifications provided by the firm's management.

The rating draws strength from the experience of the promoters, improved revenues in FY16, moderate interest servicing capability and low gearing. However, the rating is constrained by low profitability margins, low net worth level, and susceptibility to the volatility in the raw material prices and fragmented industry.

Rating Outlook: Stable

BWR believes that **Tirupati Solvent Extraction & Refineries 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

Tirupati Solvent Extractions & Refineries Pvt Ltd was incorporated as a private limited Company during the year 2008 in Hardoi, Uttar Pradesh. The Company is engaged in the extraction of rice bran oil and mustard oil from rice bran and mustard seeds respectively and sells raw rice bran oil and mustard oil to different companies. In addition, the Company sells de-oiled rice bran and mustard cake, which, is, used in cattle food and bakery products. The company is operating in Hardoi (U.P) with an installed capacity of 200MT per day for ~200 days in a year.

Company's Financial Performance

Net sales of the company have increased to ₹ 52.56 Crs in FY16 as against ₹ 39.88 Crs in FY15. However, profit after tax (PAT) stood at ₹ 0.24 Crs in FY16. **Rating History for the last three years (including withdrawn/suspended ratings)**

Sl. No.	Instrument/ Facility	Current Rating (Year 2017)			Rating History (Feb, 2016)		Rating History (March, 2015)		Rating History (2014)	
		Type (Long Term/ Short Term)	Amount (Rs Crs)	Rating	Amount (Rs Crs)	Rating	Amount (Rs Crs)	Rating	Amount (Rs Crs)	Rating
1.	Fund Based	Long Term Term Loan	-	BWR B+ (Stable)	0.87	BWR B+ (Stable)	-	-	-	-
2.		Long Term Cash Credit	7.00	BWR B+ (Stable)	5.00	BWR B+ (Stable)	-	-	-	-

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

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.