Pravin Masalewale

April 01, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	-	-	Reaffirmed at CARE A-; Stable and Withdrawn
Short-term bank facilities	-	-	Reaffirmed at CARE A2 and Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has reaffirmed and withdrawn the outstanding ratings of 'CARE A-; Stable / CARE A2' assigned to bank facilities of Pravin Masalewale (PMW) with immediate effect. The above action has been taken at the request of PMW and 'No Objection Certificate' received from the bank(s) that have extended the facilities rated by CARE Ratings.

CARE Ratings has withdrawn ratings assigned to one of the bank facilities of the firm as it has repaid the aforementioned facility in full and there is no amount outstanding under the loan as on date as confirmed by the lender.

Ratings continue to factor in strong brand presence and established market position throughout Maharashtra and long-standing experience of promoters in the spice business. Ratings also consider the financial risk profile, marked by stable scale of operations, comfortable capital structure, and operating cycle of the Suhana group (includes PMW and Kamal Industries [KI]). Ratings also factor the group's wide distribution network and diversified product portfolio.

However, these strengths are constrained by susceptibility of margins to fluctuating raw material prices, project execution risk associated with the ongoing capacity augmentation project, presence in a fragmented industry, geographical concentration risk, and partnership constitution of the firm limiting financial flexibility.

Analytical approach: Combined

CARE Ratings has taken a combined view of two entities of the Suhana group – PMW and KI owing to managerial and financial linkages. Both entities are engaged in a similar line of business. The table below provides information about the profit/loss sharing pattern in both entities as on March 31, 2024:

Name of Partner	Percentage of Profit/Loss-sharing in PMW	Percentage of Profit/Loss-sharing in KI
Rajkumar Hukmichand Chordia	30.00	-
Vishal Rajkumar Chordia	30.00	-
Anand Rajkumar Chordia	30.00	50.00
Madhubala Rajkumar Chordia	10.00	50.00

Outlook: Stable

The stable outlook reflects that on a combined basis, the firms are likely to sustain overall business performance due to the established brand and benefits accruing from diversified product portfolio, while maintaining comfortable financial risk profiles.

Detailed description of key rating drivers:

Key strengths

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications

Strong brand name and established market position in Maharashtra

The group markets and distributes its products primarily under six brands – 'Suhana', 'Ambari', 'Sarvam', 'Toofan', 'Pravin', and 'Navin'. Products are sold under the above brand names depending on pricing and quality of spices. 'Suhana' continues to be among the leading brands in the regular spices segment in the Indian market, particularly in the Maharashtra region.

Experienced promoters

Established in 1962, the group is jointly spearheaded by Raj Kumar Chordia, Vishal Chordia, and Anand Chordia as partners, who handle day-to-day operations. Partners have long experience in the food industry. Over time, the group has established itself as among the leading players in the processed food industry in Maharashtra. The group has also moved up the value chain from being a supplier of a variety spices to a seller of spice mixes and instant mixes.

Financial risk profile with growing scale of operations, moderate profitability levels, and comfortable solvency position

In FY24 (FY refers to April 01 to March 31), the combined scale of operations registered about a 14% y-o-y growth in TOI to ₹1,242.77 crore from ₹1,093.10 crore in FY23. PBILDT margin marginally improved from11.46% in FY23 to 12.36% in FY24. Following the same, the profit-after-tax (PAT) margin also improved from 5.49% in FY23 to 6.13% in FY24.

As on March 31, 2024, overall gearing, improved and remained comfortable at 0.87x against 0.95x as on March 31, 2023. Debt coverage remains comfortable with a PBILDT/interest coverage of 7.72x for FY24 (PY: 8.34x) and total debt to gross cash accruals (TD/GCA) of 2.30x as on March 31, 2024 (PY: 2.33x).

Group's comfortable working capital cycle

The group's operating cycle remained comfortable at ~60-70 days in FY24, although the average inventory days remains high at ~100-105 days due to the seasonal availability of raw materials, especially raw chilli, which is procured during January to May every year and stored throughout the year. However, CARE Ratings notes that collection days remained comfortable below 10 days in FY24, and creditors days at 35-45 days, offsetting the impact of high inventory to the sales period.

Established distribution network and diversified product portfolio

The group has a strong distribution network throughout Maharashtra and Karnataka, apart from its presence in Rajasthan, Madhya Pradesh, Goa, Gujarat, Uttar Pradesh, Chhattisgarh, and Andhra Pradesh.

The group's has diversified product portfolio including pure spices, blended spices (including mixed spices and instance mixes), ketchup, mint products, pickle, and fennel seeds.

Key weaknesses

Vulnerability to fluctuating raw material prices

Raw materials required for producing spices are agro-based commodities such as garlic, chilli, turmeric, coriander, raw mangoes, cloves, salt, and cardamom. The group's profitability is vulnerable to adverse movements in raw material prices, which are seasonal in nature.

Project execution risk

The firm is undertaking a capacity augmentation project at Bholi, Satara. The project's total cost is estimated at ₹200 crore, proposed to be funded by term loan of ₹155.50 crore and the balance through internal accruals.

Presence in a fragmented industry

The spice industry is highly fragmented due to low entry barriers. Hence, the group faces competition from organised and unorganised players. High competition within the industry limits the ability of the concern to transfer increasing raw material prices, as it involves the risk of becoming less competitive.

Geographical concentration risk

The group's revenue is primarily generated from Maharashtra and Karnataka. Considering pan-India markets, the group's market share is limited.

Constitution as a partnership firm

Both firms are partnership firms managed by the Chordia family. Due to partnership constitution, firms are exposed to capital withdrawal risk by partners and the long-term existence of business operations under the firm. As a policy, partners have been withdrawing capital on a regular basis from PMW. Change in the constitution to private limited or limited company will be viewed favourably from the credit rating perspective.

Liquidity: Strong

Liquidity is strong, characterised by free cash and bank balance of ₹22.08 crore as on March 31, 2024. In FY24, the firm has generated cash flow from operations of ₹84.54 crore and current ratio stood at 1.48x as on March 31, 2024 (PY: 1.25x).

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

Consolidation
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Withdrawal Policy
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast-moving consumer goods	Fast-moving consumer goods	Food products	Other food products

PMW was formed as a partnership firm in 1962. The firm belongs to the Chordia Group of Pune. It manufactures packaged spices with an installed capacity of 49,700 metric tonne per annum (MTPA), and trades papad, and pickles. Products are mainly marketed under six brands – Suhana, Ambari, Sarvam, Toofan, Pravin, and Navin.

Brief Financials – Combined (₹ crore)	FY23 (UA)	FY24 (UA)
Total Operating Income	1,093.10	1,242.77
PBILDT	125.23	153.57
PAT	60.01	76.21
Overall Gearing (times)	0.95	0.87
Interest coverage (times)	8.34	7.72

UA: Unaudited; Note: the above results are latest financial results available.

Brief Financials – Standalone (₹ crore)	FY23 (A)	FY24 (A)
Total Operating Income	1,076.13	1,226.70
PBILDT	122.84	151.11
PAT	58.67	74.33
Overall Gearing (times)	1.05	0.94
Interest coverage (times)	8.37	7.60

A: Audited; Note: the above results are latest financial results available.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	0.00	Withdrawn
Fund-based - LT-Cash Credit		-	-	-	0.00	Withdrawn
Fund-based - LT-Term Loan		-	-	31-01-2028	0.00	Withdrawn
Fund-based - ST-Working Capital Demand loan		-	-	-	0.00	Withdrawn
Non-fund-based - ST-Bank Guarantee		-	-	-	0.00	Withdrawn

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	-	-	1)CARE A-; Stable (28-Mar-25)	1)CARE A-; Stable (28-Mar-24)	1)CARE A-; Stable (15-Mar-23) 2)CARE A-; Positive (11-May-22) 3)CARE A-; Positive (06-Apr-22)	1)CARE A-; Stable (01-Apr-21)
2	Fund-based - LT-Cash Credit	LT	-	-	1)CARE A-; Stable (28-Mar-25)	1)CARE A-; Stable (28-Mar-24)	1)CARE A-; Stable (15-Mar-23) 2)CARE A-; Positive (11-May-22) 3)CARE A-; Positive (06-Apr-22)	1)CARE A-; Stable (01-Apr-21)
3	Non-fund-based - ST-Bank Guarantee	ST	-	-	1)CARE A2 (28-Mar-25)	1)CARE A2 (28-Mar-24)	1)CARE A2 (15-Mar-23) 2)CARE A2 (11-May-22) 3)CARE A2 (06-Apr-22)	1)CARE A2 (01-Apr-21)
4	Non-fund-based - ST-Forward Contract	ST	-	-	-	-	1)Withdrawn (15-Mar-23) 2)CARE A2 (11-May-22) 3)CARE A2 (06-Apr-22)	-
5	Fund-based - LT-Cash Credit	LT	-	-	1)CARE A-; Stable (28-Mar-25)	1)CARE A-; Stable (28-Mar-24)	1)CARE A-; Stable (15-Mar-23)	-
6	Fund-based - ST-Working Capital Demand loan	ST	-	-	1)CARE A2 (28-Mar-25)	1)CARE A2 (28-Mar-24)	-	-

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - ST-Working Capital Demand loan	Simple
4	Non-fund-based - ST-Bank Guarantee	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Pravin Masalewale	Full	Operational and financial linkages
2	Kamal Industries	Full	Operational and financial linkages

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:

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