

OCTOBER 27, 2015

CARE ASSIGNS 'CARE BB' RATINGS TO THE BANK FACILITIES OF KRISH CEREALS PVT. LTD.

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long term Bank Facilities	10.00	CARE BB (Double B)	Assigned
Total Facilities	10.00 (Rupees Ten Crore only)		

Rating Rationale

The rating assigned to bank facilities of Krish Cereals Private Limited (KCPL) is constrained by the low profitability margins, moderate capital structure and customer concentration risk. The rating also factors in working capital intensive nature of operations, susceptibility of profitability margins to raw material prices and highly regulated and fragmented nature of the rice processing industry with low entry barriers. However, the rating derives strength from the experience of the promoters and management of the company, continuously increasing scale of operations and proximity to raw materials. Going forward, the ability of the company to profitably scale up the operations, improve capital structure and reduce the client concentration risk with efficient working capital management are the key rating sensitivities.

Background

KCPL was incorporated in December 2010 and is promoted by Mr. Dinesh Kumar and Mr. Kamal Singla. The company is engaged in milling and processing of basmati rice for the domestic as well as export markets. The company was initially engaged in trading of rice and commenced rice milling and processing operations in September 2013 at its manufacturing facility located near Shambli road, Nissing (Karnal), with an installed capacity of 35000 Metric Tonnes Per Annum (MTPAs) as on March 31, 2014 which was enhanced to 40000 MTPAs, as on March 31, 2015.

In FY15 (Audited), KCPL had total operating income of Rs.115.92 crore (P.Y.: Rs.66.74 crore) and PAT of Rs.0.69 crore (P.Y.: Rs.0.23 crore).

Analyst Contact

Name: Ankita Sehgal

Tel: 011-45333226

Cell: 9958700336

Email: ankita.sehgal@careratings.com

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Disclaimer: CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

CONTACT

Head Office Mumbai

Mr. Sanjay Kumar Agarwal

Mobile: + 91 8108007676

E-mail: sanjay.agarwal@careratings.com

Mr. Amod Khanorkar

Mobile: + 91 9819084000

E-mail: amod.khanorkar@careratings.com

CREDIT ANALYSIS & RESEARCH LIMITED

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022

Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com

AHMEDABAD

Mr. Mehul Pandya

 32, Titanium, Prahaladnagar Corporate Road,
 Satellite, Ahmedabad - 380 015

Cell: +91-98242 56265

Tel: +91-79-4026 5656

E-mail: mehul.pandya@careratings.com

BENGALURU

Mr. Dinesh Sharma

 Unit No. 1101-1102, 11th Floor, Prestige Meridian II,
 No. 30, M.G. Road, Bangalore - 560 001.

Cell: +91-99000 41975

Tel: +91-80-4115 0445, 4165 4529

E-mail: dinesh.sharma@careratings.com

CHANDIGARH

Mr. Sajan Goyal

 2nd Floor, S.C.O. 196-197, Sector 34-A,
 Chandigarh - 160 022.

Cell: +91 99888 05650

Tel: +91-172-5171 100 / 09

Email: sajan.goyal@careratings.com

CHENNAI

Mr. V Pradeep Kumar

 Unit No. O-509/C, Spencer Plaza, 5th Floor,
 No. 769, Anna Salai, Chennai - 600 002.

Cell: +91 98407 54521

Tel: +91-44-2849 7812 / 0811

Email: pradeep.kumar@careratings.com

COIMBATORE

Mr. V Pradeep Kumar

T-3, 3rd Floor, Manchester Square

Puliakulam Road, Coimbatore - 641 037.

Tel: +91-422-4332399 / 4502399

Email: pradeep.kumar@careratings.com

HYDERABAD

Mr. Saikat Roy

 401, Ashoka Scintilla, 3-6-502, HimayatNagar,
 Hyderabad - 500 029.

Cell : + 91 9820998779

Tel: +91-40-4010 2030

E-mail: saikat.roy@careratings.com

JAIPUR

Mr. Rakesh Jayaraman

 304, PashupatiAkshatHeights, Plot No. D-91,
 Madho Singh Road, NearCollectorateCircle,
 Bani Park, Jaipur - 302 016.

Cell: +91 - 7665596136

Tel: +91-141-402 0213 / 14

E-mail: rakesh.jayaraman@careratings.com

KOLKATA

Ms. Priti Agarwal

 3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)
 10A, Shakespeare Sarani, Kolkata - 700 071.

Cell: +91-98319 67110

Tel: +91-33- 4018 1600

E-mail: priti.agarwal@careratings.com

NEW DELHI

Ms. Swati Agrawal

 13th Floor, E-1 Block, Videocon Tower,
 Jhandewalan Extension, New Delhi - 110 055.

Cell: +91-98117 45677

Tel: +91-11-4533 3200

E-mail: swati.agrawal@careratings.com

PUNE

Mr. Rahul Patni

 9th Floor, Pride Kumar Senate,
 Plot No. 970, Bhamburda, SenapatiBapat Road,
 ShivajiNagar, Pune - 411 015.

Cell: +91-78754 33355

Tel: +91-20- 4000 9000

E-mail: rahul.patni@careratings.com

CIN - L67190MH1993PLC071691