

Zenith Dairy Products

September 18, 2020

Rating

Facilities	Amount (Rs. crore)	Rating	Rating Action
Long-term Bank Facilities	-	-	Withdrawn
Total	-		

Details of facilities in Annexure-1

Detailed Rationale and Key Rating Drivers

CARE has withdrawn the outstanding ratings of 'CARE C; Stable (Single C; Outlook: Stable) assigned to the bank facilities of Zenith Dairy Products (ZDP) with immediate effect. The above action has been taken at the request of ZDP that it has not availed the proposed facilities rated by CARE.

Analytical approach: Not Applicable

Applicable Criteria

[Policy on Withdrawal of Ratings](#)

About the Firm

Mehsana-based (Gujarat) 'Zenith Dairy Products' (ZDP) was established as a Partnership firm in 2014 for processing of milk and manufacturing of condensed milk, ghee, paneer etc. However, in 2016, old partners retired and new partners Mr. Rajesh Lalvani and Mr. Chirag Patel were admitted. However, operations were closed in FY18 due to lack of labourers. Further in 2019, old partners retired and Mr. Vikram Modh and Mr. Anil Panjwani were admitted to manage the operations of the firm. The manufacturing facility of ZDP is located at Mehsana, Gujarat having installed capacity of 1,00,000 ltr pouch packing facility per day, ghee of 1000 kg per day and 1000 kg of butter as on March 31, 2019. Mr. Vikram Modh is also proprietor at Khodiyar Dairy Farm which is also engaged in same line of business.

Brief Financials (Rs. crore)	FY17 (A)*	FY19 (Prov.)
Total operating income	0.32	0.65
PBILDT	0.09	-0.07
PAT	-0.91	-0.86
Overall gearing (times)	NM	3.86
Interest coverage (times)	0.16	NM

A: Audited; Prov. Provisional; NM: Not Meaningful; *Operations were closed during FY18 due to labor issues.

ZDP has achieved TOI of around Rs.0.95 crore during FY20

Status of non-cooperation with previous CRA: Not Applicable.

Any other information: Not Applicable.

Rating History for last three years: Please refer Annexure-2

Annexure 1: Details of Instruments/Facilities:-

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	0.00	Withdrawn
Fund-based - LT-Cash Credit	-	-	-	0.00	Withdrawn

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE C; Stable (09-Jul-19)	-	-
2.	Fund-based - LT-Cash Credit	LT	-	-	-	1)CARE C; Stable (09-Jul-19)	-	-

Annexure 3: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple
2.	Fund-based - LT-Term Loan	Simple

Note on complexity levels of the rated instrument: 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.

Contact us

Media Contact

Mradul Mishra

Contact no.: +91-22-6837 4424

Email ID: mradul.mishra@careratings.com

Analyst Contact

Name: Ms. Shachee Vyas

Contact no.: 079-40265665

Email ID: shachee.tripathi@careratings.com

Business Development Contact

Name: Mr. Deepak Prajapati

Contact no. : (079) 40265656

Email ID: deepak.prajapati@careratings.com

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