

SNP Industries: Downgraded

Facilities	Amount (Rs. Crore)	Ratings
Term Loan – I	0.50	SMERA D (Downgraded from SMERA B-/stable)
Term Loan – II	1.80 (Revised from 2.00)	SMERA D (Downgraded from SMERA B-/Stable)
Packing Credit	0.50	SMERA D (Downgraded from SMERA A4)
Foreign Bill Negotiation	1.00	SMERA D (Downgraded from SMERA A4)
Foreign Letter of Credit	2.00	SMERA D (Downgraded from SMERA A4)
Proposed Fund/Non Fund Based Facility	0.20	SMERA D (Assigned)

SMERA has downgraded the long term rating on the abovementioned Rs.5.80 crore bank facilities of SNP Industries to **'SMERA D' (read as SMERA D)** from **'SMERA B- (read as SMERA B minus)** and short term rating from **'SMERA A4' (read as SMERA A four)**. SMERA has also assigned rating of **'SMERA D' (read as SMERA D)** on the Rs.0.20 crore bank facilities.

The rating reflects delays in servicing of debt by the company on account of its stretched liquidity position.

Rating Sensitivity Factors

- Curing of debt
- Scalability of operations while improvement in margins

Criteria applied to arrive at the ratings

- Manufacturing entities

About the Firm

SNP Industries, incorporated in April 2014, is a partnership firm promoted by Mr. Maharajan and family. The firm manufactures and trades in stainless steel utensils.

For FY2015–16, SNP Industries reported net loss of Rs.0.36 crore on net operating income of Rs.0.75 crore, as compared with net loss of Rs.0.39 crore on operating income of Rs.0.23 crore in the previous year. The net worth stood at Rs.1.34 crore as on March 31, 2016, as compared with Rs.0.12 crore a year earlier.

Rating History

Date	Facilities	Amount (Rs. Crore)	Ratings		Rating Outlook
			Long Term	Short Term	
19 October, 2015	Term Loan	0.50	SMERA B- (Assigned)	-	Stable
	Term Loan - Proposed	2.00	SMERA B- (Assigned)	-	Stable
	Packing Credit	0.50	-	SMERA A4 (Assigned)	-
	Letter of Credit	2.00	-	SMERA A4 (Assigned)	-
	FBN	1.00	-	SMERA A4 (Assigned)	-

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ABOUT SMERA

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