

Mahapeek Fertilizers India Private Limited: Assigned

Name of the Instruments	Amount (Rs Crore)	Rating/Outlook
Cash Credit (Proposed)	7.00	SMERA B-/Stable (Assigned)
Term Loan (Proposed)	1.65	SMERA B-/Stable (Assigned)

SMERA has assigned rating of '**SMERA B-**' (**read as SMERA B minus**) to the Rs.8.65 crore long-term (fund based) bank facilities of Mahapeek Fertilizers India Private Limited (MFIPL). The outlook is '**Stable**'. The rating is constrained by project specific risk since the project is the nascent stage of operations. The rating also factors in the sanctioning of loan which is pending and liquidity pressure in case of project delays. However, the rating draws support from the experienced management.

Outlook- Stable

SMERA believes that MFIPL will maintain a stable business risk profile in the medium term owing to the established operations and extensive experience of the promoters. The outlook may be revised to 'Positive' if the company commences operations on time and achieves revenues as per expectation. Conversely, the outlook may be revised to 'Negative' in case of project delays and significant deterioration in revenue and capital structure.

Rating Sensitivity Factors

- Timely completion of project
- Scaling up operations while maintaining margins

Criteria applied to arrive at the rating:

- Manufacturing Entities

About the Company

MFIPL was established in 2014 as a private limited company by Mr. Ramesh Kachare and Mr. Suhas Kachare to manufacture fertilisers. The company plans to set up a facility with capacity of 500 tons to manufacture and process fertilisers.

For FY2015-16, the company reported loss (after tax) of Rs.0.10 crore on nil operating income, as compared with loss after tax of Rs.0.01 crore on nil operating income. The net worth of the company stood at Rs.2.39 crore (includes quasi equity of Rs.2.25 crore) as on March 31, 2016 provisional, as compared with Rs.0.21 crore (includes quasi equity of Rs.0.21 crore) as on March 31, 2015.

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ABOUT SMERA

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