

**Mahapeek Fertilizers India Private Limited: Assigned**

<b>Name of the Instruments</b>	<b>Amount (Rs Crore)</b>	<b>Rating/Outlook</b>
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.

Contacts:

Analytical	Media
Mr. Mohit Jain Vice President – Ratings Operation, Tel: +91-22-6714 1105 Cell: 9619911017 Email: <a href="mailto:mohit.jain@smera.in">mohit.jain@smera.in</a>	Mr. Suman M Vice President – Business Development, Corporate Ratings Tel: +91-22-6714 1151 Cell: +91-9892306888 Email: <a href="mailto:suman.m@smera.in">suman.m@smera.in</a>

ABOUT SMERA

SMERA Ratings Limited is a joint initiative of SIDBI, Dun & Bradstreet Information Services India Private Limited (D&B) and leading public and private sector banks in India. SMERA is registered with SEBI as a Credit Rating Agency and accredited by Reserve Bank of India. For more details, please visit [www.smera.in](http://www.smera.in)

**Disclaimer:** A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.smera.in](http://www.smera.in)) for the latest information on any instrument rated by SMERA.