

Press Release

Roshan Fruits India Private Limited

September 08, 2021

Rating Withdrawn



Total Bank Facilities Rated*	Rs. 13.00 Cr.#
Long Term Rating	ACUITE B+ (Withdrawn)
Short Term Rating	ACUITE A4 (Withdrawn)

* Refer Annexure for details

Rating Rationale

Acuite has withdrawn the long-term rating of '**ACUITE B+**' (read as **ACUITE double B plus**) and short term rating of **ACUITE A4** (read as **ACUITE A four**) on the Rs.13.00 crore bank facilities of Roshan Fruits India Private Limited.

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

Roshan Fruits India Private Limited (RFIPL) is a Tamil Nadu based company engaged in the processing and selling of fruit pulps. It was established in 2003. The promoter, Mr. Mir Athar Ali has a decade of experience in the said line of business. The company has an installed capacity of 5 metric tons per hour.

Analytical Approach

Acuite has considered the standalone business and financial risk profiles of the RFIPL to arrive at this rating.

Key Rating Drivers

Strengths

- **Experienced promoters**

The promoter, Mr. Mir Athar Ali, the General Secretary of Krishnagiri District Fruit Association possesses extensive experience in the food processing industry. SMERA believes that the company will benefit from the same.

- **Diverse product portfolio and geographic reach**

RFIPL has a diversified product portfolio and geographic reach. The company exports its products to Saudi Arabia, China, Malaysia, Germany and other countries. Export sales constitute around 50 percent of the total sales of the company.

Weaknesses

- **Average Financial Risk Profile**

The company has average financial risk profile marked by low net worth, high gearing and moderate debt protection metrics. The company's net worth stood at Rs. 4.02 Cr as on 31st March 2021 (Provisional) as against Rs. 3.47 Cr as on 31st March 2020. The gearing levels (debt-to-equity) improved from 4.08 times as on March 31, 2020 to 2.39 times as on March 31, 2021 (Provisional). Further, the interest coverage ratio stood at 2.34 times for FY2021 (Provisional) as against 1.95 times in FY2020. Debt service coverage ratio stood at 2.34 times in FY2021 (Provisional). Total outside liabilities to total net worth (TOL/TNW) stood at 3.95 times as on FY2021 (Provisional) vis-à-vis 5.91 times as on FY2020.

• Small scale of operation in a highly fragmented industry

RFIPL operates on a small scale. The company has reported operating income of Rs. 38.16 Cr in FY2021 (Provisional) as against Rs. 21.30 Cr in FY2020. The EBITDA margin has declined from 9.09 percent in FY2020 to 4.95 percent in FY2021 (Provisional). The Net Profit margin stood at 1.16 percent in FY2021 (Provisional) and at 1.14 percent in FY2020.

Rating Sensitivity

Not Applicable

Material Covenants

None

Liquidity position: Adequate

The company has moderate liquidity marked by moderate net cash accruals to its maturing debt obligations. The company generated cash accruals of Rs. 1.09 crore for FY2021 (Provisional) as against Rs. 0.95 crore in FY2020. The company has unencumbered cash and bank balances of only Rs. 0.01 crore as on 31st March 2021 (Provisional). Acuite believes that the liquidity of the company is likely to remain adequate over the medium term on account of adequate cash accrual against no major debt repayments over the medium term.

Outlook: Not Applicable

About the Rated Entity - Key Financials

	Unit	FY21 (Actual)	FY20 (Actual)
Operating Income	Rs. Cr.	38.16	21.30
PAT	Rs. Cr.	0.44	0.24
PAT Margin	(%)	1.16	1.14
Total Debt/Tangible Net Worth	Times	2.39	4.08
PBDIT/Interest	Times	2.34	1.95

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.htm>
- Financial Ratios and Adjustments - <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
30-Jun-2020	Cash Credit	Long Term	1.50	ACUITE B+ Issuer not co-operating*

	Term Loan	Long Term	2.77	ACUITE B+ Issuer not co-operating*
	Packing Credit	Short Term	7.80	ACUITE A4 Issuer not co-operating*
	Proposed Bank Facility	Long Term	0.93	ACUITE B+ Issuer not co-operating*
17-Apr-2019	Cash Credit	Long Term	1.50	ACUITE B+ Issuer not co-operating*
	Term Loan	Long Term	2.77	ACUITE B+ Issuer not co-operating*
	Packing Credit	Short Term	7.80	ACUITE A4 Issuer not co-operating*
	Proposed Bank Facility	Long Term	0.93	ACUITE B+ Issuer not co-operating*
22-Feb-2018	Cash Credit	Long term	1.50	ACUITE B+/Stable (Reaffirmed)
	Term Loan	Long Term	2.77	ACUITE B+/Stable (Reaffirmed))
	Packing Credit	Short Term	7.80	ACUITE A4 (Reaffirmed)
	Proposed Bank Facility	Long Term	0.93	ACUITE B+/Stable (Reaffirmed)

***Annexure – Details of instruments rated**

Lender Name	Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Bank of India	Cash Credit	Not Applicable	Not Applicable	Not Applicable	1.50	ACUITE B+ (Withdrawn)
Bank of India	Term Loan	Not Available	Not Available	Not Available	2.77	ACUITE B+ (Withdrawn)
Bank of India	Packing Credit	Not Applicable	Not Applicable	Not Applicable	7.80	ACUITE A4 (Withdrawn)
Not Applicable	Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	0.93	ACUITE B+ (Withdrawn)

Contacts

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About Acuite Ratings & Research:

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