

Press Release

Mimani Agro Products Private Limited

March 09, 2017

Rating Assigned

Total Bank Facilities Rated*	Rs. 15.00 Cr.
Long Term Rating	SMERA B / Outlook: Stable

* Refer Annexure for details

Rating Rationale

SMERA has assigned long-term rating of '**SMERA B**' (read as **SMERA B**) on the Rs. 15.00 crore bank facilities of Mimani Agro Products Private Limited. The outlook is '**Stable**'.

Mimani Agro Products Private Limited (MAPPL), a Bikaner-based company was incorporated in 2000 by Mr. Rajesh Mimani and family. The company is engaged in the processing of chana dal, urad dal, matar dal among others and has installed capacity of 8000 MT per annum. This is expected to increase to 10000 MT per annum from April 2017. The processing facility is located at Bikaner. The products are expected to be rolled out from April 2017.

Key Rating Drivers

Strengths

- **Experienced promoters**

MAPPL is led by Mr. Rajesh Mimani, Director who possesses experience of over two decades in the processing and trading of pulses and other agro products.

Weaknesses

- **Small scale of operations**

MAPPL's scale of operations is small marked by operating income of Rs.29.01 cr in FY2015-16 as against Rs.27.36 cr a year earlier.

- **Average financial risk profile**

The average financial risk profile is marked by moderate gearing of 1.62 times in FY2015- 16 as against 0.54 times in FY2014-15. The operating margin stood at 4.60 per cent in FY2015-16 as against 5.81 per cent in FY2014-15. Further, the company has reported a Profit after tax (PAT) of Rs.0.04 cr in FY2015-16 as compared to net loss of Rs.0.04 cr in the previous year. The ROCE has been low at 2.27 per cent in FY2015-16 as against 5.14 per cent a year earlier. The coverage ratio of the company stood at 5.49 times in FY2015-16 as against 2.89 times in FY2014-15.

- **Competitive and fragmented nature of industry**

The company is exposed to intense competition in the agro processing industry from organised and unorganised players due to low entry barriers.

Analytical Approach

SMERA has taken a standalone view of the business and financial risk profiles of MAPPL.

Outlook: Stable

SMERA believes that MAPPL will maintain a stable outlook in the medium term owing to the established operations and long standing experience of the promoters. The outlook may be revised to Positive in case the company registers significant growth in revenue while improving profit margins.

Conversely, the outlook may be revised to 'Negative' in case of debt-funded capex

About the Rated Entity - Key Financials

For FY2015 -16, the company reported PAT (profit after tax) of Rs.0.04 cr on operating income of Rs.29.01 cr, as against loss of Rs.0.04 cr on operating income of Rs.27.36 cr in FY2014-15. The net worth stood at Rs.7.70 cr as on 31 March, 2016 against Rs.7.66 cr a year earlier.

Any other information

Not Applicable

Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Manufacturing Entities - <https://www.smera.in/criteria-manufacturing.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>

Note on complexity levels of the rated instrument

<https://www.smera.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Not Applicable

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Overdraft	Not Applicable	Not Applicable	Not Applicable	3.00	SMERA B / Stable
Working capital demand loan (WCDL)	Not Applicable	Not Applicable	Not Applicable	2.00	SMERA B / Stable
Term loans	Not Applicable	Not Applicable	Not Applicable	4.00	SMERA B / Stable
Proposed	Not Applicable	Not Applicable	Not Applicable	6.00	SMERA B / Stable

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ABOUT SMERA

SMERA Ratings Limited is a joint initiative of SIDBI, D&B and leading public and private sector banks

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