

Press Release

Sanwaria Consumer Limited

December 05, 2018

Rating Withdrawn



Total Instruments Rated*	Rs. 1457.00 Cr.
Long Term Rating	ACUITE BBB+ (Withdrawn)
Short Term Rating	ACUITE A2 (Withdrawn)

* Refer Annexure for details

Rating Rationale

Acuite has withdrawn the long term rating of '**ACUITE BBB+**' (read as **ACUITE triple B plus**) and short term rating of '**ACUITE A2**' (read as **ACUITE A two**) to the above mentioned bank facilities of Rs. 1457.00 crore of Sanwaria Consumer Limited (SCL). The rating withdrawal is in accordance with the Acuite's policy on withdrawal of rating.

The rating is being withdrawn on the issuer's request and NOC received from the banker.

The Madhya Pradesh-based Sanwaria Consumer Limited (formerly known as 'Sanwaria Agro Oils Limited'), was incorporated in 1991 by the Late Mr. Ram Narayan Agrawal and family. SCL commenced operations in 1993. It is listed on BSE and NSE.

The company is engaged in the processing of soya bean, basmati rice, wheat among others and trading of agro commodities (~33 percent of sales).

SCL markets its products under the 'Narmada', 'Sulabh' and 'Sanwaria' brand names. The company has recently introduced basmati rice in Dubai under the 'Nashira' brand name.

The company has installed capacity of 2,500 tonne per day (TPD) for solvent extraction, 250 TPD for refining of oil and 600 TPD for processing of basmati rice at three locations - Mandideep, Itarsi and Betul at Madhya Pradesh.

Analytical Approach

Acuite has considered the standalone financial and business risk profiles of SCL.

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

None

Any other information

Not Applicable

Applicable Criteria

- Trading entities- <https://www.acuite.in/view-rating-criteria-6.htm>
- Manufacturing entities- <https://www.acuite.in/view-rating-criteria-4.htm>
- Application of Financial Ratios and Adjustments- <https://www.acuite.in/view-rating-criteria-20.htm>
- Default Recognition- <https://www.acuite.in/view-rating-criteria-17.htm>

Note on complexity levels of the rated instrument

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

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
28-Oct-2017	Cash Credit	Long Term	870.00	ACUITE BBB+/Stable (Assigned)
	Bank Guarantee/Letter of Credit	Short Term	189.00	ACUITE A2 (Assigned)
	Proposed Fund Based Limit	Long Term	277.00	ACUITE BBB+/Stable (Assigned)
	Proposed Non Fund Based Limit	Short Term	121.00	ACUITE A2 (Assigned)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	870.00	ACUITE BBB+ (Withdrawn)
Bank Guarantee/Letter of Credit	Not Applicable	Not Applicable	Not Applicable	189.00	ACUITE A2 (Withdrawn)
Proposed Fund Based Limit	Not Applicable	Not Applicable	Not Applicable	277.00	ACUITE BBB+ (Withdrawn)
Proposed Non Fund Based Limit	Not Applicable	Not Applicable	Not Applicable	121.00	ACUITE A2 (Withdrawn)

About the Rated Entity Financials

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	5,063.88	3,518.51	2,698.79
EBITDA	Rs. Cr.	196.07	121.06	98.23
PAT	Rs. Cr.	84.69	43.68	15.68
EBITDA Margin	(%)	3.87	3.44	3.64
PAT Margin	(%)	1.67	1.24	0.58
ROCE	(%)	12.82	8.27	11.10
Total Debt/Tangible Net Worth	Times	1.78	2.64	3.04
PBDIT/Interest	Times	2.71	1.89	1.54
Total Debt/PBDIT	Times	5.03	8.21	12.12
Gross Current Assets (Days)	Days	112	140	175

Contacts

Analytical	Rating Desk
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About Acuite Ratings & Research:

Acuite Ratings & Research Limited (erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

Disclaimer: *An Acuite 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. Acuite 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, Acuite, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuite 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. Acuite 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.acuite.in) for the latest information on any instrument rated by Acuite.*