

Press Release

Siddhashram Rice Mills Cluster Private Limited

18 April, 2018



Rating Assigned

Total Bank Facilities Rated*	Rs. 18.00 Cr.
Long Term Rating	SMERA D

* Refer Annexure for details

Rating Rationale

SMERA has assigned long term rating of '**SMERA D**' (**read as SMERA D**) to the Rs.18.00 crore bank facilities of Siddhashram Rice Mills Cluster Private Limited (SRMC).

The Bihar based, SRMC was established in 2006 by Mr. Arun Kumar Mishra, Mr. Ajit Kumar Mishra and Mr. Brij Kumar Mishra. SRMC is a cluster project, engaged in the processing of par boiled rice. The company offers warehousing facilities and is also into power generation.

Key Rating Drivers

Strengths

Experienced management

Mr. Arun Kumar Mishra, (Managing Director) has experience of around two decades in rice milling.

Weaknesses

Delays in debt servicing

The rating factors in continuous delays in servicing of term loan obligations by ~30 days.

Intense competition and agro-climatic risks

SRMC is engaged in production of non-basmati rice. It is exposed to intense competition from local producers and agro climatic risks that affect agricultural production.

Analytical Approach

SMERA has considered the standalone financial and business risk profile of SRMC to arrive at this rating.

About the Rated Entity - Key Financials

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	53.42	48.36	45.42
EBITDA	Rs. Cr.	3.38	2.82	3.92
PAT	Rs. Cr.	-1.45	2.15	1.02
EBITDA Margin	(%)	6.33	5.84	8.62
PAT Margin	(%)	-2.71	4.44	2.25
ROCE	(%)	7.60	5.57	11.17
Total Debt/Tangible Net Worth	Times	1.00	0.94	0.84
PBDIT/Interest	Times	1.84	1.30	1.39
Total Debt/PBDIT	Times	5.20	6.39	5.88
Gross Current Assets (Days)	Days	154	164	119

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

Not Applicable

Any other information

None

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. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	7.00	SMERA D
Term loan I	Not Applicable	Not Applicable	Not Applicable	1.00	SMERA D
Term Loan II	Not Applicable	Not Applicable	Not Applicable	10.00	SMERA D

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