

July 09, 2014

Facilities	Amount (Rs. Crore)	Rating
Cash Credit	1.45	SMERA D (downgraded from SMERA B/Stable)
Term Loan	17.88	SMERA D (downgraded from SMERA B/Stable)

SMERA has downgraded the bank loan rating of Suryshree Wellness Private Limited (SWPL) to '**SMERA D' (read as SMERA D)** from 'SMERA B/Stable'. The downgrade reflects delays in servicing and repayment of debt by the company. The rating is constrained by delays in commencement of commercial production by the company. The rating factors in risks related to the company's weak financial risk profile. The rating is also constrained by the promoters' limited experience in the company's line of business.

SWPL is an Ahmedabad-based company engaged in manufacturing of autoclaved aerated concrete (AAC) blocks. SWPL planned to start commercial operations in October 2013; however, the company commenced commercial production in January 2014. SWPL's green field project of Rs.24.88 crore is funded through term loan of Rs.17.88 crore, equity capital of Rs.4.00 crore and unsecured loans of Rs.3.00 crore. The term loan repayment is scheduled on quarterly basis (instalments of Rs.0.64 crore) from June 2014. SWPL's bank statements reflect delays in servicing and repayment on the term loan.

About the company

SWPL, incorporated in 2011, is an Ahmedabad-based company promoted by Mr. Adesh K. Patel and Mrs. Kruti A. Patel. SWPL is engaged in manufacturing of AAC blocks. The company has a manufacturing unit in Chiyada, Gujarat.

SWPL's promoters have limited experience in the company's line of business. SWPL is a part of the Bidiwala Group, which comprises Parbhudas Kishordas Tobacco Products Private Limited, JP Tobacco Products Private Limited and Helios Pharmaceuticals.

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