

SHL Agro Foods Inc

Instrument	Amount	Rating Action as on February 2016
Fund-Based Limits	In Rs. Crore	
Cash Credit	6.50	[ICRA]BB-(Stable); assigned
Term Loan	7.19	[ICRA]BB-(Stable); assigned
Total	13.69	

ICRA has assigned its long term rating of [ICRA] BB- (pronounced ICRA double B minus) to the Rs. 13.69 crore fund based bank facilities of SHL Agro Foods Inc (SHL)†. The Outlook on the long-term rating is 'Stable'.

ICRA's rating is constrained by SHL's moderate scale of operations and its moderate financial profile as reflected in low net worth, high gearing and sizeable debt repayment obligations. ICRA also takes note of the limited track record of the firm's operations. However, the rating favorably factors in the extensive experience of SHL's promoters in the chicken processing industry and its reputed client base. Further, increasing trend in consumption of poultry products in the country is likely to support the long-term growth of the firm.

Going forward the firm's ability to achieve sustained improvement in its scale of operations, while maintaining its profitability and attaining an optimal working capital cycle, will be the key rating sensitivities.

About the Company

SHL Agro Foods Inc is a partnership firm located in Chandigarh. It was established in 2013 by Mr. Surjit Singh Kohli. The firm is into poultry processing and supplies fresh and frozen ready to cook chicken products. The firm has an installed capacity for processing 810 tonnes of live birds per month.

Recent Results

The firm reported a net profit of Rs 1.22 crore on an operating income of Rs 33.23 crore in FY15 as against a net profit of Rs 0.01 crore on an operating income of Rs 1.15 crore in FY14. The firm, on a provisional basis, reported sales of Rs 33.27 crore for the nine months ending December 31, 2015.

February 2016

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