



## Suman Proteins Private Limited

Instrument	Amount (In Rs.)	Rating Action
Fund Based Limit – Cash Credit	Rs. 7.00 crore	[ICRA]BB- (stable) reaffirmed

ICRA has reaffirmed the long term rating of [ICRA]BB- (pronounced ICRA double B minus) assigned to the Rs. 7.00 crore cash credit facility of Suman Proteins Private Limited (SPPL)<sup>†</sup>. The outlook on the long term rating is stable.

The reaffirmation of the rating factors in the experience of the promoters and the established track record of SPPL as an authorized distributor for premium 'Engine' brand mustard oil for West Bengal. This along with own mustard oil manufacturing facility and trading in other edible oils under its own brand name 'Suman' lends stability to revenue and partly mitigates the risk of demand downturn of any particular product. The rating also takes into account the stable long term demand prospects for edible oil in India.

The rating is, however, constrained by SPPL's modest scale of current operations and weak financial profile characterized by thin profit margins, aggressive capital structure and depressed level of coverage indicators. Besides, the operating income of the company witnessed a de-growth of around 9% in 2013-14 over the previous fiscal. The rating also factors in the high geographical concentration risk with most of the revenue being derived from regional market of West Bengal, and limited market position and branding in retail segment as compared to other large sized peers. ICRA also notes the high business risks associated with the edible oil industry including high competition as well as easy substitutability between different edible oils thus limiting the pricing flexibility. Moreover, the profitability remains vulnerable to volatility in raw material prices, and is also exposed to agro-climatic and other risks, which can impact the availability of oil and oilseeds.

### Company Profile

Incorporated in 1997, SPPL is an authorized distributor for 'Engine' brand mustard oil for West Bengal and is also engaged in the manufacturing of mustard oil. The company also has a separate packaging unit where various types of refined edible oils are packed and sold in its own brand 'Suman'. The production facility for mustard oil is currently equipped with 4 expellers and 20 kolhus with an installed capacity of 979 TPA (tonne per annum) whereas the oil packaging unit has the capacity of 20 TPD (tonne per day). The manufacturing facilities of the company are located in Uluberia, West Bengal.

### Recent Results

During 2013-14, SPPL reported a net profit of Rs. 0.22 crore on an operating income of Rs. 77.59 crore; as compared to a net profit of Rs. 0.35 crore on an operating income of Rs. 85.11 crore in 2012-13.

**January 2015**

*For further details please contact:*

Analyst Contacts:

**Mr. Jayanta Roy**, (Tel. No. +91-33-22876617 / 22800008)

jayanta@icraindia.com

Relationship Contacts:

**Mr. Jayanta Chatterjee** (Tel. No. +91 33 7150 1100)

jayantac@icraindia.com

\* 100 lakh = 1 crore = 10 million

† For complete rating scale and definitions, please refer to ICRA's website [www.icra.in](http://www.icra.in) or other ICRA Rating Publications.



© Copyright, 2015, ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001  
Tel: +91-11-23357940-50, Fax: +91-11-23357014

**Corporate Office****Mr. Vivek Mathur**Mobile: **9871221122**Email: [vivek@icraindia.com](mailto:vivek@icraindia.com)

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002  
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

**Mumbai****Mr. L. Shivakumar**Mobile: **9821086490**Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

1802, 18th Floor, Tower 3,  
Indiabulls Finance Centre,  
Senapati Bapat Marg,  
Elphinstone, Mumbai 400013,  
Board : +91-22-61796300; Fax: +91-22-24331390

**Kolkata****Mr. Jayanta Roy**Mobile: **+91 9903394664**Email: [jayanta@icraindia.com](mailto:jayanta@icraindia.com)

A-10 & 11, 3rd Floor, FMC Fortuna  
234/3A, A.J.C. Bose Road  
Kolkata—700020  
Tel +91-33-22876617/8839 22800008/22831411,  
Fax +91-33-22870728

**Chennai****Mr. Jayanta Chatterjee**Mobile: **9845022459**Email: [jayantac@icraindia.com](mailto:jayantac@icraindia.com)

5th Floor, Karumuttu Centre  
634 Anna Salai, Nandanam  
Chennai—600035  
Tel: +91-44-45964300; Fax: +91-44 24343663

**Bangalore****Bangalore****Mr. Jayanta Chatterjee**Mobile: **9845022459**Email: [jayantac@icraindia.com](mailto:jayantac@icraindia.com)

'The Millenia'  
Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,  
Murphy Road, Bangalore 560 008  
Tel: +91-80-43326400; Fax: +91-80-43326409

**Ahmedabad****Mr. L. Shivakumar**Mobile: **989986490**Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

907 & 908 Sakar -II, Ellisbridge,  
Ahmedabad- 380006  
Tel: +91-79-26585049, 26585494, 26584924; Fax: +91-  
79-25569231

**Pune****Mr. L. Shivakumar**Mobile: **989986490**Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

5A, 5th Floor, Symphony, S.No. 99, CTS 3909, Range Hills  
Road, Shivajinagar, Pune-411 020  
Tel: + 91-20-25561194-25560196; Fax: +91-20-25561231

**Hyderabad****Mr. Jayanta Chatterjee**Mobile: **9845022459**Email: [jayantac@icraindia.com](mailto:jayantac@icraindia.com)

4th Floor, Shobhan, 6-3-927/A&B, Somajiguda, Raj  
Bhavan Road, Hyderabad—500083  
Tel:- +91-40-40676500