

Gujarat Peanut Products Pvt. Ltd.

Instrument	Amount	Rating Action
Fund Based Limit - Cash Credit	4.50	[ICRA]B+; reaffirmed
Fund Based Limit – Term Loan	1.89	[ICRA]B+; reaffirmed

ICRA has reaffirmed the long term rating of [ICRA]B+ (pronounced ICRA B+) to the Rs. 4.50 crore¹ fund based working capital facilities and Rs. 1.89 crore term loan of Gujarat Peanut Products Private Limited (GPPPL)².

The reaffirmation of rating takes into account GPPPL's relatively modest scale of operations along with fluctuations in company's profitability. ICRA also considers leveraged capital structure where total debt of the company has increased from Rs. 7.95 crore in FY2013-14 to Rs. 9.17 crore in FY2014-15 mainly due to infusion of unsecured loan and increase in working capital borrowing. However, the same declined to Rs. 7.75 crore in FY2015-16 resulting from repayment of term loan and unsecured loan. Major component of the debt belongs to working capital borrowings. High debt level has resulted in gearing level to remain high, though declining, since FY2010-11. Gearing level has improved from 3.6 times in FY2014-15 to 2.9 times in FY2015.16. Coverage indicators namely interest coverage and NCA/TD have also remained modest at 2.42 times and 12% respectively as on March 31, 2015. Further, these indicators deteriorated in during FY2015-16 where interest coverage stood at 1.92 times and NCA/TD has remained at 8%. The rating also takes into account the highly competitive nature of the agro-commodities business due to low entry barriers in the industry.

The rating, however, positively considers the experience of GPPPL's promoters in the processing and trading of agricultural commodities and the location advantage with regard to the procurement of material.

ICRA expects GPPPL's revenue and profitability to remain critical on account of vulnerability to agro-climatic conditions. The company's ability to enhance its scale of operations while improved profitability and improving its capital structure would be the key rating sensitivities.

Company Profile

Gujarat Peanut Products Pvt. Ltd. (GPPPL) was incorporated in 2005 by Chag family. GPPPL was established to engage in trading of agro-commodities and later it has diversified into cleaning, sorting and packaging of various agro-products which includes groundnuts (shelling is also done), wheat, spices, pulses, etc. In addition, GPPPL also undertakes cleaning, sorting and packaging of various agro-commodities for third parties as well as job work basis.

GPPPL is currently owned and managed by Mr. Arunkumar Chag and his son Mr. Sagar Chag. Mr. Arun has experience of over three decades in the business through group firm and is currently looking after the entire operations of the company, while Mr. Sagar with over a decade experience in the business is taking care of entire sales of the company. GPPPL has an associate firm; Sagar International engaged in trading and export activities of agro-commodities

Recent Results

During the financial year FY2014-15, the company registered net profit of Rs. 0.1 crore on an operating income of Rs. 30.5 crore.

June 2016

¹ 100 lakh = 1 Cr. = 10 million

² For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications.



For further details, please contact:

Analyst Contacts:

Mr. Subrata Ray (Tel. No. +91 22 6114 3408)

subrata@icraindia.com

Relationship Contacts:

Mr. Jayanta Chatterjee (Tel. No. +91-80-43326401)

jayantac@icraindia.com

© Copyright, 2016, 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 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: +91 9871221122

Email: 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: +91 9821086490

Email: shivakumar@icraindia.com

3rd Floor, Electric Mansion
Appasaheb Marathe Marg, Prabhadevi
Mumbai—400025,
Board : +91-22-61796300; Fax: +91-22-24331390

Kolkata**Mr. Jayanta Roy**

Mobile: +91 9903394664

Email: 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: +91 9845022459

Email: 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: +91 9845022459

Email: 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: +91 9821086490

Email: 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: +91 9821086490

Email: shivakumar@icraindia.com

5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range
Hills Road, Shivajinagar, Pune-411 020
Tel: + 91-20-25561194-25560196; Fax: +91-20-
25561231

Hyderabad**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

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