



Press Release

RS Foods

December 26, 2022

Ratings

Instrument/ Facility	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long term Bank Facilities	23.38	IVR BBB-; Stable and Withdrawn (IVR Triple B Minus; and withdrawn)	Reaffirmed and Withdrawn	Simple
Long term Bank Facilities (Proposed)	1.62	IVR BBB-; Stable and Withdrawn (IVR Triple B Minus; and withdrawn)	Reaffirmed and Withdrawn	Simple
Total	25.00 (INR Twenty- five crore only)			

Details of Facilities are in Annexure 1

Detailed Rationale, Key Rating Drivers, and Detailed description of the key rating drivers

Infomerics has reaffirmed and withdrawn the outstanding ratings of “IVR BBB-”; Stable (IVR Triple B Minus; Stable) assigned to the bank facilities of RS Foods with immediate effect. The above action has been taken at the request of RS Foods and ‘No Objection Certificate’ received from the banker that have extended the facilities rated by Infomerics.

(Key Rating Drivers and Detailed description are as per the last Press Release dated Sep 01, 2022)

Analytical Approach: Standalone

Applicable Criteria:

[Policy on Withdrawal of ratings](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Rating Methodology for Manufacturing Companies](#)

[Criteria on assigning rating outlook](#)



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Liquidity: Adequate

The liquidity profile of RS Foods is adequate marked by its satisfactory cash accrual of Rs.6.30 crore against its minimum debt repayment obligations in FY22. As on March 31, 2022, the firm had a free cash balance of Rs.1.54 crore. Moreover, the average CC utilization of the firm for past 12 months ending in June 2022 at ~74% indicating an adequate liquidity cushion to the firm.

About the Firm

Incorporated in August 2015, Ranchi based RS Foods was promoted by four partners, namely Mr. Amit Agarwal, Mr. Ajay Kumar Agarwal, Mrs. Amita Agarwal, and Mrs. Ruchi Agarwal with equal profit-sharing percentage of 25% each. The firm is engaged in processing and selling of milk and other dairy based products such as ghee, paneer, curd, buttermilk, lassi, milk powder, etc. Before incorporation of RS Foods, the partners used to run a Dairy firm in the name of 'Shri Shyam Dairy', which helped them to gain more than a decade of experience in this line of business. RS Foods is a FSSAI central licensed dairy firm and it started its commercial production from April, 2017. The processing unit of the firm is located at Village-Baheya in Angra block, Ranchi with milk processing capacity of 1,50,000 liters per day. The firm sells ghee and milk powder in bulk whereas the firm sells other products in retail packages with the brand name of 'Daily Plus' within the state of Jharkhand.

Financials: Standalone

(Rs. crore)

For the year ended* / As On	31-03-2021	31-03-2022
	Audited	Audited
Total Operating Income	106.35	121.58
EBITDA	8.88	8.11
PAT	3.36	3.53
Total Debt	26.85	24.39
Tangible Net worth	24.33	26.30
EBITDA Margin (%)	8.35	6.67
PAT Margin (%)	3.15	2.90
Overall Gearing Ratio (x)	0.29	0.18
Interest Coverage Ratio (x)	3.78	4.33

**Classification as per Infomerics' standards.*



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Status of non-cooperation with previous CRA: Brickwork Ratings has moved the rating into issuer not cooperating category vide its press release dated May 18,2022 due to non-submission of information by the firm.

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
1.	Cash Credit	LT	15.00	IVR BBB-; Stable and Withdrawn	IVR BBB-; Stable Sep 01, 2022	-	-
2.	OD Facility	LT	5.00	IVR BBB-; Stable and Withdrawn	IVR BBB-; Stable Sep 01, 2022	-	-
3.	GECL	LT	3.38	IVR BBB-; Stable and Withdrawn	IVR BBB-; Stable Sep 01, 2022	-	-
4.	Proposed	LT	1.62	IVR BBB-; Stable and Withdrawn	IVR BBB-; Stable Sep 01, 2022	-	-

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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).



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Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit www.infomerics.com

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Fund Based Limits- Cash Credit	-	-	-	15.00	IVR BBB-; Stable and Withdrawn
Long Term Fund Based Limits- OD	-	-	-	5.00	IVR BBB-; Stable and Withdrawn
Long Term Fund Based Limits- GECL	-	-	April 2025	3.38	IVR BBB-; Stable and Withdrawn
Long Term Fund Based Limits - Proposed	-	-	-	1.62	IVR BBB-; Stable and Withdrawn

Annexure 2: List of companies considered for consolidated analysis: Not Applicable.

Annexure 3: Facility wise lender details: Not Applicable.

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable.



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Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at <https://www.infomerics.com>.