

Press Release

Kunal Rice Mills

2 January, 2018



Rating downgraded

Total Bank Facilities Rated*	Rs.13.50 Cr
Long Term Rating (Indicative)	SMERA D Downgraded and Issuer not co-operating*

#Refer Annexure for details

*The issuer did not co-operate; Based on best available information.

SMERA has downgraded the long term rating of '**SMERA B**'(read as **SMERA B**) to '**SMERA D**' (read as **SMERA D**) on the Rs.13.50 crore bank facilities of Kunal Rice Mills. This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower: SMERA has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and SMERA's policies.

Applicable Criteria

- Manufacturing Entities: <https://www.smerra.in/criteria-manufacturing.htm>
- Default Recognition: <https://www.smerra.in/criteria-default.htm>
- Financial Ratios and Adjustments: <https://www.smerra.in/criteria-fin-ratios.htm>

Limitation regarding information availability: The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). SMERA endeavoured to gather information about the entity / industry from the public domain. Therefore, SMERA cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity:

The Punjab-based KRM was established in 2001 by Mr. Utkesh Julka. The firm has been in the rice milling (basmati) business for more than a decade. The milling unit, located at Qadian (Punjab) has an installed capacity of 9 tons per hour.

For FY2015-16 (Provisional), KRM reported profit after tax (PAT) of Rs.0.05 crore on operating income of Rs.35.22 crore as compared with PAT of Rs. 0.06 crore on operating income of

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Rs15.68 crore for FY2014-15. The net worth stands at Rs.3.84 crore as on March 31, 2016 (Provisional) as compared with Rs.3.80 crore a year earlier.

Rating History for the last three years:

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
27 th -September-2016	Cash Credit warehouse limit	Long term	6.00	SMERA B/Stable (Assigned)
	Cash Credit	Long term	7.50	SMERA B/Stable (Assigned)

Annexure – Details of instruments rated:

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings
Cash Credit warehouse limit	NA	NA	NA	6.00	SMERA D (Downgraded and Indicative)
Cash Credit	NA	NA	NA	7.50	SMERA D (Downgraded and Indicative)

*The issuer did not co-operate; Based on best available information.

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ABOUT SMERA

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