

September 14, 2015

Facility	Amount (Rs. Crore)	Rating
Cash Credit	15.00	SMERA B-/Stable (Assigned)

SMERA has assigned a long-term rating of **'SMERA B-' (read as SMERA single B minus)** to the abovementioned bank facility of RSD Overseas (RSD). The outlook is **'Stable'**. The rating is primarily constrained by the firm's short track record of operations. The rating is also constrained by the firm's exposure to intense competition in the rice trading business. The rating notes that the firm's operations are susceptible to agro-climatic risks. However, the ratings are supported by the firm's experienced management.

RSD, incorporated in 2013, is an Uttar Pradesh-based partnership firm engaged in trading of rice. RSD commenced commercial operations in December 2014. The firm faces intense competition from several players in the rice trading business. RSD's operations are susceptible to agro-climatic risks which may adversely affect the availability of paddy.

RSD benefits from its experienced management Mr. Ankit Goel and Mr. Raju Goel, partners of RSD, have around two decades of experience in the rice industry.

Outlook: Stable

SMERA believes RSD will maintain a stable business risk profile over the medium term. The firm will continue to benefit from its experienced management. The outlook may be revised to 'Positive' in case the firm registers sustained growth in revenues and cash accruals while achieving efficient working capital management. The outlook may be revised to 'Negative' in case of significant decline in the firm's revenues and cash accruals, or in case of stretch in the firm's working capital cycle.

About the firm

RSD, incorporated in 2013, is an Uttar Pradesh-based partnership firm promoted by Mr. Ankit Goel and Mr Raju Goel. RSD is engaged in trading of rice. The firm commenced commercial operations in December 2014. RSD has its registered office in Dadri, Uttar Pradesh.

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SMERA RATINGS LIMITED

RSD Overseas (RSD)

Rating Rationale

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