

September 29, 2015

| Facilities | Amount(Rs. Crore) | Rating |
|-------------|-------------------|--------------------------|
| Term Loans | 4.12 | SMERA B/Stable(Assigned) |
| Cash Credit | 5.00 | SMERA B/Stable(Assigned) |

SMERA has assigned a rating of '**SMERA B**' (**read as SMERA B**) to the Rs.9.12 crore bank facilities of Mohanlal Shankarlal Agro Foods Private Limited (MSAFPL). The outlook is '**Stable**'. The rating is constrained by agro climatic risks and competitive nature of the rice processing business. However, the rating derives comfort from the extensive experience of the promoters and location advantage.

Rating Sensitivity Factors

- Timely commencement and completion of project
- Increase in revenues

Outlook: Stable

SMERA believes the outlook of the company will remain stable over the medium term on account of the experienced management. The outlook may be revised to 'Positive' in case the company achieves higher than expected revenues while maintaining profitability and capital structure. Conversely, the outlook may be revised to 'Negative' in case of lower than expected cash accruals resulting in deterioration in the capital structure and stretch in liquidity profile.

About the Company

Part of the Chakradhar group of companies, MSAFPL was incorporated in 2013, by Shri. Shankarlal Mohanlal Agrawal ,Shri. Sunilkumar Shankarlal Agrawal and Shri. Sumeet Sunil Agrawal. The firm is engaged in cleaning, sorting and grading of rice for which it has three divisions - a Sortex unit, steaming unit and a rice mill in Nagpur. The commercial production is expected to commence from January, 2016.

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