

November 27, 2015

Facilities	Amount (Rs. Crore)	Rating
Term Loan	8.00	SMERA B/Stable (Assigned)
Cash Credit	6.00	SMERA B/Stable (Assigned)

SMERA has assigned a long-term rating of '**SMERA B**' (**read as SMERA B**) to the Rs.14.00 crore bank facilities of Annapurna Agro Products (AAP). The outlook is '**Stable**'. The rating is constrained by the firm's exposure to project implementation risk. However, the rating is supported by the experienced management and the proximity of the firm's processing unit to raw material sourcing areas.

Rating Sensitivity Factors

- Timely completion of the project.
- Timely servicing of debt obligation.

Outlook: Stable

SMERA believes AAP will maintain a stable business risk profile in the medium term. The outlook may be revised to 'Positive' in case the firm generates healthy cash flows from operations while achieving a healthy financial risk profile. Conversely, the outlook may be revised to 'Negative' in case of delays in project implementation.

About the Firm

AAP is a newly established Solapur-based dal milling firm promoted by Mr. Irappa B Salakki, Mr. G.S. Dhange, Mr. G.B. Hanamshetti and Mr. Aravind G. Salakki. The firm plans to set up a tur dal processing unit at a cost of Rs.13.19 crore to be funded by a term loan of Rs.8.00 crore (yet to be sanctioned) and promoters' contribution of Rs.5.19 crore. The commercial operations of the same are scheduled to commence in April 2016.

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