

December 14, 2015

Facilities	Amount (Rs. Crore)	Rating
<b>Cash Credit</b>	<b>15.00</b>	<b>SMERA BB-/Stable (Assigned)</b>
<b>Term Loan</b>	<b>2.00</b>	<b>SMERA BB-/Stable (Assigned)</b>
<b>Proposed</b>	<b>3.00</b>	<b>SMERA BB-/Stable (Assigned)</b>

SMERA has assigned a long-term rating of '**SMERA BB-**' (read as SMERA double B minus) to the Rs.20.00 crore bank facilities of Rohil Foods Private Limited (RFPL). The outlook is '**Stable**'. The rating is supported by the company's established operations, experienced management and strategic location of the processing unit. However, the rating is constrained by the weak financial risk profile marked by high leverage (debt-to-equity ratio) and moderate coverage indicators. The rating is also constrained by the company's exposure to agro-climatic risk and intense competitive pressure.

### Outlook: Stable

SMERA believes that the company will maintain its stable business risk profile owing to the management's extensive experience in the rice milling business and established relationships with customers. The outlook may be revised to 'Positive' in case of sustained increase in revenues and accruals while maintaining its working capital cycle. Conversely, the outlook may be revised to 'Negative' in case of significant decline in revenues and accruals or elongation of working capital cycle.

### Rating Sensitivity Factors

- Scaling up of the operations while managing working capital funds
- Improvement in the financial risk profile

### About the Company

Incorporated in 2009, RFPL is a Haryana-based company promoted by Mr. Vinod Khurania and Mrs. Sonia Khurania. The company is engaged in the milling of rice and has an installed capacity of 10 MTPA.

For FY2014-15, RFPL reported net profit of Rs.0.04 crore on operating income of Rs.85.23 crore as compared to net profit of Rs.0.04 crore on operating income of Rs.90.54 crore in FY2013-14. The company's net worth stood at Rs.4.62 crore as on March 31, 2015, as compared with Rs.4.63 crore a year earlier.

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