

**December 21, 2015**

Facilities	Amount (Rs. Crore)	Rating
Cash Credit	1.50	SMERA B-/Stable (Assigned)
Term Loan	5.80	SMERA B-/Stable (Assigned)

SMERA has assigned a long-term rating of '**SMERA B-**' (read as **SMERA B minus**) to the Rs.7.30 crore bank facilities of Earthbags Export Private Limited (EEPL). The outlook is '**Stable**'. The ratings are constrained by the weak financial risk profile marked by low network and small scale of operations of the company. The ratings are also constrained by risks associated with the debt funded project scheduled to complete in 2016. However, the ratings derive comfort from the extensive experience of the management in the jute industry.

Outlook: Stable

SMERA believes that EEPL will continue to benefit from the management's experience. The outlook may be revised to 'Positive' if the company completes the project as per schedule and achieves the expected scale of operations. Conversely, the outlook may be revised to 'Negative' if there are significant costs or time overruns in the project leading to a further deterioration in the financial and liquidity position.

Rating Sensitivity Factors

- Project implementation risk
- Scaling up of operations

About the Company

The West Bengal-based EEPL, incorporated in 2006 was promoted by Mr. Anurag Himatsingka who has experience of around two decades in the jute industry. The company manufactures jute shopping bags and proposed capacity of plant is 1, 50,000 Nos. bags per month.

EEPL reported profit after tax (PAT) of Rs. (0.01) crore on operating income of Rs. 0.06 crore for FY2014-15.

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.



SMERA RATINGS LIMITED

Earthbags Export Private Limited (EEPL)

*Rating
Rationale*

Contact List

Media/Business Development	Analytical Contact	Rating Desk
Antony Jose Vice President – Business Development, Mid Corporate Tel: +91-22-6714 1191 Cell: +91 9820802479 Email: antony.jose@smera.in	Pooja Ghosh Associate Vice President – Corporate Ratings Tel: +91-33-6620 1203 Email: pooja.ghosh@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.