



SMERA RATINGS LIMITED

Sri Shiva Durga Rice Industries (SSDRI)

**Rating
Rationale****December 31, 2015**

| Facilities | Amount (Rs. Crore) | Rating |
|-------------------|-----------------------|---------------------------------------|
| Cash Credit | 6.50 | SMERA B/Stable (Assigned) |
| Term Loan | 1.08 | SMERA B/Stable (Assigned) |
| Proposed Facility | 2.00 | SMERA B/Stable/SMERA A4 (Assigned) |

SMERA has assigned a long-term rating of '**SMERA B' (read as SMERA single B)** and '**SMERA A4' (read as SMERA A four)** to the Rs.9.58 crore bank facilities of Sri Shiva Durga Rice Industries (SSDRI). The outlook is '**Stable**'.

The rating is constrained by the weak financial risk profile, and declining operating margins. However, the rating draws comfort from the extensive industry experience of the promoter and long track record of operations followed by improving working capital cycle.

Outlook: Stable

SMERA believes SSDRIL will maintain a stable business risk profile over the medium term due to its extensive management experience. The outlook may be revised to 'Positive' in case the company registers more than anticipated growth in revenues, achieve sustainable profitability and while maintaining financial risk profile. Conversely, the outlook may be revised to 'Negative' in case of decline in the company's profitability and returns on capital or in case of deterioration in the company's financial risk profile.

Rating Sensitivity Factors

- Ability to scale up operations
- Stability in operating margins
- Improvement in financial risk profile

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.



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About the Company

IFounded in the year 2007 as a partnership firm Sri Shiva Durga Rice Industries (SSDRI) is engaged in the milling of paddy and produces raw & boiled rice. The firm has a milling unit in Bebbigudem village of Nalgonda district of Telangana with an installed capacity of 4 tons per hour

For FY2014-15, SSDRI profit after tax (PAT) of Rs.0.23 crore, on operating income of Rs.30.16 crore, as compared with PAT of Rs.0.08 crore on operating income of Rs.26.12 crore in the previous year.

Contact List:

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