

**February 03, 2016**

Facilities	Amount (Rs. Crore)	Rating
Cash Credit	7.53	SMERA B-/Stable (Assigned)
Term Loan	4.00	SMERA B-/Stable (Assigned)

SMERA has assigned a rating of '**SMERA B-**' (read as **SMERA B minus**) to the Rs.11.53 crore bank facilities of Jai Shrikrishna Rice Mill (JSRM). The rating is constrained by the firm's nascent stage of operations, working capital intensive business and intense competition in the rice processing industry. However, the rating is supported by the experienced management.

Rating Sensitivity Factors

- Generating adequate cash flow to service debt obligations
- Scaling up operations and increasing profitability

Outlook: Stable

SMERA believes JSRM will maintain a stable business risk profile over the medium term owing to its experienced management. The outlook may be revised to 'Positive' if the firm registers healthy scalability while achieving comfortable profit margins. Conversely, the outlook may be revised to 'Negative' in case of deterioration in the firm's financial profile.

About the Firm

JSRM, incorporated in 2015, is a Madhya Pradesh-based firm engaged in the rice milling business. Promoted by Mr. Ashok Yadav, the firm has set up a rice mill with installed capacity of 45 MT per day to process basmati rice. The commercial operations commenced from November 2015.

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SMERA RATINGS LIMITED

Jai Shrikrishna Rice Mill (JSRM)

Rating Rationale

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