

**February 25, 2016**

Facility	Amount (Rs. Crore)	Rating
Cash Credit	6.00	SMERA BB-/Stable (Assigned)

SMERA has assigned long term rating of '**SMERA BB-**' (read as **SMERA double B minus**) to the Rs.6.00 crore bank facility of Ratanlal Radheshyam. The outlook is '**Stable**'. The rating draws support from the extensive experience of the management and healthy financial risk profile. However, the rating is constrained by the moderate scale of operations and exposure to agro climatic risk.

Outlook: Stable

SMERA believes that Ratanlal Radheshyam will continue to maintain a stable business risk profile over the medium term owing to the promoters' experience and established operations. The outlook may be revised to 'Positive' if the firm generates sustainable revenues or operating margins. Conversely, the outlook may be revised to 'Negative' with stretch in working capital resulting in deterioration in the financial risk profile.

Rating Sensitivity Factors

- Scaling up operations while maintaining margins
- Effective working capital management

About the Firm

RR, established in 1953 is a Maharashtra-based firm promoted by Mr. Jugal Heda and family. The firm trades in agro products and is engaged in the processing of pulses since FY2016.

For FY2014-15, RR reported net profit of Rs.0.14 crore on total income of Rs.28.42 crore. For FY2015-16 till December (provisional) RR achieved revenue of ~Rs.45 crore.

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SMERA RATINGS LIMITED

Ratanlal Radheshyam (RR)

*Rating
Rationale*

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