

March 22, 2016

| Facilities | Amount (Rs. Crore) | Ratings |
|----------------|--------------------|----------------------------|
| Term Loan | 6.76 | SMERA B-/Stable (Assigned) |
| Cash Credit | 6.00 | SMERA B-/Stable (Assigned) |
| Bank Guarantee | 0.24 | SMERA A4 (Assigned) |

SMERA has assigned long-term rating of '**SMERA B-**' (**read as SMERA B minus**) and short term rating of '**SMERA A4**' (**read as SMERA A four**) on the above mentioned bank facilities of Ma Mahamaya Rice Mill Private Limited (Ma Mahamaya). The outlook is '**Stable**'. The ratings are constrained by the company's moderate scale of operations, below average financial profile marked by high gearing, weak interest coverage and low networth. The ratings are also constrained by the stressed liquidity position marked by full utilisation of its cash credit utilisation, exposure to agro climatic risk and intense competition in the rice processing industry. However, the ratings draw strength from the experienced management, healthy revenue growth and proximity to rice growing area.

Outlook: Stable

SMERA believes that the outlook of the company would remain stable on account of the experienced management and moderate revenue scalability. The outlook may be revised to 'Positive' in case of sustained increase in revenues and accruals while improving the capital structure. Conversely, the outlook may be revised to 'Negative' in case of significant decline in revenues and accruals or undertaking of any debt funded capex thereby further deteriorating the capital structure.

Rating Sensitivity Factors

- Increase in scale of operations and profitability
- Efficient working capital management
- Improvement in the capital structure

About the Company

Ma Mahamaya, established in 2006, is a West Bengal-based company engaged in the processing of parboiled rice with an installed capacity of 74 tonnes per day. The overall operations are managed by the Director Mr. Sandip Hazra.

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For FY2014–15, the company reported profit after tax (PAT) of Rs. (4.89) crore on total operating income of Rs.30.20, as compared with PAT of Rs.0.01 crore on total operating income of Rs.24.68 crore in FY2013–14.

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