

March 22, 2016

Facilities	Amount (Rs. Crore)	Ratings
Term Loan	4.80	SMERA B-/Stable (Assigned)
Cash Credit	4.71	SMERA B-/Stable (Assigned)
Bank Guarantee	0.28	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 P P Rice Mill Private Limited (P.P. Rice Mill). The outlook is '**Stable**'. The ratings are constrained by the firm's exposure to project execution and agro climatic risks. The ratings are also constrained by the intense competition in the rice processing industry. However, the ratings draw strength from the proximity of the processing unit to rice growing areas.

Outlook: Stable

SMERA believes P. P. Rice Mill will maintain a stable business risk profile in the medium term. The outlook may be revised to 'Positive' if the firm completes the project on time without any significant time and cost overruns. Conversely, the outlook may be revised to 'Negative' in case of significant project implementation delays.

Rating Sensitivity Factors

- Completion of the project on time
- Servicing of debt obligation

About the Firm

P.P. Rice Mill was established in 2011 by Mr. Sourav Kumar Bodhak and family. The firm plans to set up a rice processing unit in West Bengal with capacity of 96 metric tons per day. The commercial production is expected to commence from May, 2016.

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Contact List

Media/Business Development	Analytical Contact	Rating Desk
Suman M National Sales Head – Emerging Corporate Group Tel No: 022 67141151 Cell: 9892306888 Email: suman.m@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

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