

March 23, 2016

Facilities	Amount (Rs. Crore)	Rating
Cash Credit	5.00	SMERA B/Stable (Assigned)
Term Loans	2.95	SMERA B/Stable (Assigned)
Bank Guarantee/Letter of Guarantee	0.05	SMERA A4 (Assigned)

SMERA has assigned long term rating of '**SMERA B**' (read as **SMERA B**) and short term rating of '**SMERA A4**' (read as **SMERA A four**) to the above mentioned Rs.8.00 crore bank facilities of Prince Ginning and Pressing Private Limited (PGPPL). The outlook is '**Stable**'. The ratings are constrained by the firm's low and uneven profitability, moderate financial risk profile and uneven trend in revenues. However, the rating draws comfort from the promoter's extensive industry experience. The ratings also note firm's proximity to raw material, government intervention in the industry and susceptibility of profit margins to volatility in raw material prices,.

Rating Sensitivity Factors

- Volatility in raw material prices impacting profitability.
- Sustainable and Substantial growth in revenues with improvement in profitability
- Improvement in the financial risk profile

Outlook – Stable

SMERA believes that PGPPL will benefit from its established presence in the ginning industry and experienced management. The outlook may be revised to 'Positive' in case the company improves its financial risk profile while registering growth in revenue and profitability. Conversely, the outlook may be revised to 'Negative' in case of decline in profitability and revenue or deterioration in the financial risk profile.

About The Firm

Prince Ginning And Pressing Private Limited was established in the year 2011 by Mr. Haidarali Makhani, Mr. Amir Makhani, Mrs. Salima Makhani & Mr. Yusuf Makhani at Katol, Nagpur. PGPPL is engaged into ginning, pressing & processing of cotton bales and seeds. The company has an installed capacity of processing 250 cotton bales per day.

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.



SMERA RATINGS LIMITED

Prince Ginning and Pressing Private Limited (PGPPL)

Rating Rationale

For FY2014-15, the firm reported net profit of Rs.0.35 crore on operating income of Rs.51.28 crore, as compared to net profit of Rs.0.35 crore on operating income of Rs.32.78 crore in the previous year.

Contact List:

Media/Business Development	Analytical Contact	Rating Desk
Mr. Suman M National Sales Head – Emerging Corporate Group Tel: +91-22-6714 1151 Cell: +91-9892306888 Email: suman.m@smera.in	Vinay Chhawchharia Associate Vice President – Corporate Ratings Tel: +91-22-6714 1156 Email: vinay.chhawchharia@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in

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.