

April 27, 2016

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	3.00	SMERA B-/Stable (Assigned)
Term Loan	0.48	SMERA B-/Stable (Assigned)
Bank Guarantee	5.00	SMERA A4 (Assigned)

SMERA has assigned a 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 Rs.8.48 crore bank facilities of Annapurna Traders (AT). The outlook is '**Stable**'.

The ratings are constrained by the small scale of operations, moderate financials marked by low profitability margin and net worth. The ratings are also constrained by the intense competition in the fragmented rice industry. However, the ratings draw support from the experienced management.

Outlook: Stable

SMERA believes the firm will maintain a moderate business risk profile in the medium term owing to the established operations and extensive experience of the promoters. The outlook may be revised to 'Positive' in case of improvement in operations, profitability margin and net worth. Conversely, the outlook may be revised to 'Negative' if the financial risk profile deteriorates further.

Rating Sensitivity Factors

- Scaling up of operations while maintaining profitability
- Improvement in the net worth and accruals

About the Firm

Annapurna Traders was incorporated in 2003 by Mr. Ranidan Gilda. Currently the overall operations of the firm are looked after by Mr. Manish Gilda. The firm is engaged in the milling of non-basmati rice and wheat and has two manufacturing units in Bematra and Nandul, Chhattisgarh.

For FY2014–15, the firm reported profit after tax (PAT) of Rs.0.16 crore on operating income of Rs.7.34 crore, as compared with profit after tax (PAT) of Rs.0.16 crore on operating income of Rs.3.84 crore in FY2013–14. The net worth stood at Rs.0.69 crore as on March 31, 2015 against Rs.0.43 crore a year earlier.

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