

January 29, 2015

Facility	Amount (Rs. Crore)	Rating
Term Loan	31.00	SMERA B/Stable (Reaffirmed)

SMERA has reaffirmed the long-term rating of '**SMERA B**' (read as **SMERA single B**) on the Rs.31.00 crore bank facility of Rahul International Private Limited (RIPL). The outlook is '**Stable**'. The rating continues to draw comfort from the company's experienced management. The rating factors in the benefits of group support available to the company. The rating also draws comfort from the company's long-term supply agreement with United Breweries Limited. However, the rating is constrained by the time and cost overruns in the project undertaken by the company.

Update

RIPL's greenfield project has faced time and cost overruns. The commercial production was scheduled to commence in September 2014; however, there were delays in project execution and the company now expects to start commercial operations in July 2015. The cost overruns are estimated at Rs.12.92 crore.

RIPL's net worth stood at Rs.9.00 crore as on March 31, 2014, as compared with Rs.7.36 crore a year earlier.

Outlook: Stable

RIPL's rating has a 'Stable' outlook. The outlook may be revised to 'Positive' in case the company registers higher-than-expected growth in revenues and profit margins after commissioning the project according to the revised timeline. Conversely, the outlook may be revised to 'Negative' in case of deterioration in the company's financial profile on account of further delays in project execution.

About the company

RIPL, incorporated in 2008, is a Jaipur-based company established to undertake the business of malting barley. RIPL is setting up a processing unit with installed capacity of 48,000 metric tonnes per annum (MTPA) in Manda (Jaipur District), Rajasthan.

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SMERA RATINGS LIMITED

Rahul International Private Limited (RIPL)

*Rating
Rationale*

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