

### Rahul International Private Limited : Assigned

| Facility  | Amount (Rs. Crore) | Rating/Outlook   |
|-----------|--------------------|--|
| Term Loan | 34.80              | SMERA B-/Stable<br>(Suspension Revoked; Rating Assigned) |

SMERA has revoked the suspension on the abovementioned bank facility of Rahul International Private Limited (RIPL) and assigned rating of '**SMERA B- (read as SMERA B minus)**'. The outlook is '**Stable**'.

SMERA had on 21 April, 2016 suspended the rating for lack of necessary information from RIPL. The company has now shared the requisite information, enabling SMERA to assign a rating to the bank facility.

The rating draws support from the experienced management, group support and long term agreement with United Breweries Limited. However, the rating is constrained on account of time and cost overrun of the project.

#### Update

The commercial operation date (COD) was initially scheduled for September 2015. However, with project delays, the date was extended to July 2016 resulting in a cost overrun of Rs.12.92 crore.

The project got further delayed on account of civil construction with cost overrun of Rs.7.00 crore. The company began trial run from April 2016.

#### Outlook: Stable

SMERA believes that RIPL will maintain a stable outlook over the medium term and continue to benefit from its experienced management. The outlook may be revised to 'Positive' in case the company registers envisaged operating income, profitability margins and gearing. Conversely, the outlook may be revised to 'Negative' if the financial risk profile deteriorates or if the company undertakes any debt funded capex plan.

#### Rating Sensitivity Factors

- Sustainable growth in revenue and profitability profile
- Delay in repayment of principal and interest

#### Criteria applied to arrive at the rating:

- Manufacturing Entities

## About the Company

RIPL, incorporated in 2008, was promoted by Mr. Rahul Agarwal. The company purchased 24,000 square meters of land from Rajasthan State Industrial and Investment Corporation (RIICO) and set up a malt production plant with installed capacity of 48,000 MTPA in Manda (Jaipur district), Rajasthan.

RIPL's net worth stood at Rs.16.81 crore as on 31 March, 2015 which includes unsecured loans of Rs.5.70 crore as on March 31, 2015 from promoters, relatives and friends.

## Rating History

|                   |                        |                    | Rating               |                       |
|-------------------|------------------------|--------------------|----------------------|-----------------------|
| Date of Issuance  | Name of the instrument | Amount (Rs. crore) | Long Term            | Rating Watch/ Outlook |
| 21 April, 2016    | Term Loan              | 31.00              | SMERA B (Suspended)  | Stable                |
| 29 January, 2015  |                        | 31.00              | SMERA B (Reaffirmed) | Stable                |
| 17 December, 2013 |                        | 31.00              | SMERA B (Assigned)   | Stable                |

## Contacts:

| Analytical   | Media  |
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## ABOUT SMERA

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