

Draft Rating Rationale

Paresh Rice & Pulse Mills

19th April, 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs. 7.00 Crores of Paresh Rice & Pulse Mills.

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
Working Capital	7.00	Long Term	BWR B (Pronounced as BWR B) Outlook - Stable
Total	7.00	INR Seven Crores Only	

* Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the Audited Financial results up to FY16, Provisional financials of FY17, Projected Financials for FY17 & FY18 and information/ clarification provided by the Company's management.

The rating factors the extensive experience of promoter in the business and well established relations with customers. The rating also takes in to account upgradation of technology by the unit. However, the rating is constrained by low scale of operations, high gearing, thin margins, intense competition and price volatility.

Rating Outlook: Stable

BWR believes that business risk profile of Paresh Rice & Pulse Mills will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company:

Paresh Rice & Pulse Mills is a proprietorship firm, established in 1983 for processing of Rice, Kanki, Khuski & Husk. The unit is located at GIDC area of Khambhat, Anand, Gujarat. The company is managed by Mr. Chhotabhai V. Patel who is well experienced in this line of activity.

Company Financial Performance:

As per audited financials of FY16, the Firm has reported net sales of Rs. 25.18 Crs with a net profit of Rs. 0.15 Crs compared to sales of Rs. 17.93 Crs and a PAT of Rs.0.14 Crs in FY15.

As per the unaudited and provisional data, the unit has achieved an operating income of Rs. 16.51 crs for FY17.

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/ Facility	Current Rating (Year 2017)			Rating History		
		Type	Amount (Rs. In Crs)	Rating	2016	2015	2014
1	Working Capital	Long Term	7.00	BWR B (Pronounced as B) Outlook - Stable	NA	NA	NA
	Total		7.00	INR Seven Crores Only			

Hyperlink/Reference to Applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)
- [Short Term Debt](#)

For any other criteria obtain hyperlinks from website

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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

DISCLAIMER

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