



**Rating Action**

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**PACRA ASSIGNS ENTITY RATINGS TO REEM RICE MILLS**

The Pakistan Credit Rating Agency (PACRA) has assigned a long-term entity rating of “**BBB+**” (Triple B plus) and short-term rating of “**A2**” (A two) to Reem Rice Mills (Pvt.) Limited (RRM). The ratings denote low expectation of credit risk and adequate capacity for timely payment of financial commitments.

The ratings reflect RRM’s sound financial profile emanating from its virtually debt free capital structure and association with financially strong business groups. RRM has shown subdued profitability in the past mainly due to limited scope of its operations. However, with its revised strategy of focusing on a larger universe of customers, the performance is expected to improve, going forward. Meanwhile, the company remains exposed to the cyclical nature of rice industry.

***About the company:***

RRM, incorporated in 1992, is engaged in milling, processing and export of rice. The factory, situated in sheikhupura, has annual production capacity of 65,000 tons. RRM is a joint venture of Abdullah A. Al Ghurair group (AG) of UAE and Al Muhaidib group (MG) of Saudi Arabia.

The AG is a prominent business group of UAE having diversified business interests including banking, retailing, and trading alongwith presence in food business. The MG has major business interests in the commercial, industrial, and contracting sectors. Al-Muhaidib Foods, one of the MG’s companies, is engaged in distribution and marketing of rice and has established itself as a key player in the rice business in Saudi Arabia. The chief executive officer of RRM, Mr. Javed Islam Agha, an electrical engineer by profession, has a rich experience of 22 years in the rice industry. He was also the founder chairman of Rice Exporters Association of Pakistan.

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