

September 09, 2014

Facilities	Amount (Rs. Crore)	Rating
Cash Credit*	3.00	SMERA B-/ Stable (Assigned)
Term - I	1.15	SMERA B-/ Stable (Assigned)
Term - II	1.10	SMERA B-/ Stable (Assigned)
Term Loan - III	0.80	SMERA B-/ Stable (Assigned)

*Includes Cash Credit against Book Debts (CCBD) as a sublimit to the extent of Rs.1.50 crore

SMERA has assigned a rating of '**SMERA B-**' (**read as SMERA single B minus**) to the Rs.6.05 crore bank facilities of Uno Moulds (UM). The outlook is '**Stable**'. The rating is constrained by the decline in the firm's operating profit margin. The rating is also constrained by the net loss registered by the firm. The rating factors in risks related to the firm's small-scale operations. However, the rating is supported by the firm's experienced management.

UM, established in 2004, is a Salem-based partnership firm engaged in manufacturing of plastic water tanks. UM's operating profit margin declined from ~8.27 per cent in FY2010-11 (refers to financial year, April 01 to March 31) to 6.95 per cent in FY2012-13. Further, the firm posted net loss of Rs 0.21 crore (provisional) in FY2013-14. UM's small-scale operations are reflected in revenues of Rs.13.01 crore (provisional) in FY2013-14.

UM benefits from its experienced management. Mr. Senthil Kumar, managing partner of UM, has around ten years of experience in firm's line of business.

Outlook: Stable

SMERA believes UM will maintain a stable business risk profile over the medium term. The firm will continue to benefit from its experienced management. The outlook may be revised to 'Positive' in case the firm registers sustained growth in revenues and profitability. The outlook may be revised to 'Negative' in case of further decline in the firm's revenues and profit margins.

About the firm

UM, established in 2004, is a Salem-based partnership firm engaged in manufacturing of plastic water tanks. The overall operations of the firm are managed by Mr. Senthil Kumar (Managing Partner).

For FY2013-14 (refers to financial year, April 01 to March 31), UM reported net loss of Rs.0.21 crore (provisional) on operating income of Rs.13.01 crore (provisional). For FY2012-13, the firm reported profit after tax (PAT) of Rs.0.01 crore on operating income of Rs.12.86 crore, as compared with PAT of Rs.0.02 crore on operating income of Rs.4.09 crore in the previous year.

UM's net worth stood at Rs.1.09 crore as on March 31, 2013, as compared with Rs.0.83 crore a year earlier. The firm's total debt stood at Rs.2.82 crore as on March 31, 2013, as compared with Rs.2.77 crore a year earlier.

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