

November 20, 2014

Facilities	Amount (Rs. Crore)	Rating
Cash Credit	3.00	SMERA B/Stable (Assigned)
Term Loan	2.50	SMERA B/Stable (Assigned)

SMERA has assigned a rating of '**SMERA B**' (**read as SMERA single B**) to the Rs.5.50 crore bank facilities of Forge Masters – Unit Radiant Industries (Forge). The outlook is '**Stable**'. The rating is constrained by the firm's short track record of operations and moderate operating scale in a highly competitive and fragmented segment of the steel industry. However, the rating derives comfort from the firm's experienced management.

Forge, established in 2007, is a Ludhiana-based partnership firm engaged in trading and manufacturing of bright bars. Forge started commercial operations in April 2014. The firm's projected revenue is moderate at Rs.24.53 crore in FY2014-15 (refers to financial year, April 01 to March 31). Forge operates in a highly competitive and fragmented segment of the steel industry.

Forge benefits from its experienced management. The partners of the firm have over 10 years of experience in the steel industry.

Outlook: Stable

SMERA believes Forge 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 'Negative' in case the firm fails to achieve the projected revenues and profitability. The outlook may be revised to 'Positive' in case the firm generates larger-than-expected cash flows from operations.

About the firm

Forge (formerly known as Radiant Industries) is a Ludhiana-based partnership firm established in 2007 by Mr. Hardeep Singh and Mrs. Baljeet Kaur. Forge is engaged in trading and manufacturing of bright bars. The firm commenced commercial operations in April 2014. Forge has a manufacturing unit in Kanganwal, Ludhiana.

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