

April 19, 2016

Facilities	Amount (Rs. Crore)	Rating
Cash Credit*	3.75	SMERA B/Stable (Reaffirmed)
Term Loan - I	1.20	SMERA B/Stable (Reaffirmed)
Term Loan - II	1.00	SMERA B/Stable (Reaffirmed)

*Includes sublimit of FBP/FBD upto Rs.0.75 crore

SMERA has reaffirmed the rating of **'SMERA B' (read as SMERA B)** on the Rs.5.95 crore bank facilities of Rolex Reclaim Private Limited (RRPL). The outlook is **'Stable'**. The rating continues to be constrained by the company's limited track record and small scale of operations. However, the rating is supported by the comfortable debt protection metrics.

Update

For FY2014-15, RRPL reported net loss of Rs.0.41 crore on revenues of Rs.15.33 crore, as compared with profit after tax (PAT) of Rs.0.25 crore on revenues of Rs.11.47 crore for FY2013-14. During FY2015-16, the company reported revenue of Rs.15.99 crore (provisional). The leverage stood at 4.09 times as on March 31, 2015. The company's total debt of Rs.7.68 crore (as on March 31, 2015) includes interest-free unsecured loans of Rs.2.13 crore from promoters, family and friends. RRPL has comfortable debt protection metrics with interest coverage ratio of 1.44 times in FY2014-15.

Outlook: Stable

SMERA believes the outlook on RRPL's rated facilities will remain stable over the medium term. The outlook may be revised to 'Positive' in case the company registers strong growth in scale of operations while achieving sustained improvement in profit margins and liquidity position. The outlook may be revised to 'Negative' in case of deterioration in the financial risk profile and liquidity position.

Rating Sensitivity Factors

- Scaling up operations, improving profitability and liquidity

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SMERA RATINGS LIMITED

Rolex Reclaim Private Limited (RRPL)

Rating
Rationale**About the Company**

RRPL, incorporated in 2011, is a Rajkot-based company engaged in the manufacture of reclaimed rubber at Pipalaya, near Rajkot. The installed production capacity is 7,200 metric tonnes per annum.

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