



SMERA RATINGS LIMITED

Zen Techno Engineering Private Limited (ZTEPL)

*Rating
Rationale*July 30, 2015

Facilities	Amount (Rs. Crore)	Ratings
Term Loan	4.34	SMERA B-/Stable (Assigned)
Cash Credit	1.20	SMERA B-/Stable (Assigned)
Bank Guarantee	0.21	SMERA A4 (Assigned)

SMERA has assigned a rating of '**SMERA B- (read as SMERA B minus)**' to the Rs.5.54 crore long term facility and '**SMERA A4' (read as SMERA A four)**' to the Rs.0.21 crore short term facility of Zen Techno Engineering Private Limited (ZTEPL). The outlook is '**Stable**'. The ratings remain constrained due to the nascent stage of operations of the company, volatility in raw material prices and the highly fragmented and competitive industry that it operates in. However, the ratings draw comfort from the experienced management.

Outlook: Stable

SMERA believes ZTEPL will maintain a stable outlook. The outlook may be revised to 'Positive' in case the company generates healthy cash flows from operations while registering higher-than-expected revenues. The outlook may be revised to 'Negative' in case of deterioration in the company's financial risk profile.

About the Company

ZTEPL, incorporated in 2014, is a Pune-based company promoted by Nitin M Patkulkar, Ms. Vidya D. Waghmare, and Mr. Balwant A. Marathe. The company is engaged in the processing of metal sheets on job work basis.

ZTEPL has set up a processing unit in Pune (Shirur) for laser cutting, bending, fabrication and surface treatment at a cost of Rs.6.60 crore funded through a term loan of Rs.4.64 crore and promoters' funds of Rs.1.96 crore. The company commenced commercial operations in Feb 2015.

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