

November 24, 2015

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	7.50	SMERA BB/Stable (Assigned)
Bank Guarantee/Letter of Guarantee*	7.50	SMERA A4+ (Assigned)

* Includes sublimit of letter of credit of Rs.2 crore

SMERA has assigned rating of '**SMERA BB**' (read as **SMERA double B**) to the Rs.7.50 crore long-term (fund based) bank facility and '**SMERA A4+**' (read as **SMERA A four plus**) to the Rs.7.50 crore short-term (non-fund based) bank facility of RSI Switchgear Private Limited (RSI Switchgear). The outlook is '**Stable**'. The ratings derive comfort from the company's experienced management, established relations with customers and suppliers. Further, the ratings note that the company has moderate financial risk profile and healthy order book. However, the ratings are constrained by the company's modest scale of operations and working capital-intensive business.

Outlook: Stable

SMERA believes RSI Switchgear will maintain a stable business risk profile over the medium term. The company will continue to benefit from its experienced management and established association with customers and suppliers. The outlook may be revised to 'Positive' in case company registers strong growth in the scale of operations while achieving sustained improvement in profit margins and working capital management. Conversely, the outlook may be revised to 'Negative' in case of deterioration in the capital structure or stretch in the working capital cycle.

About the Company

RSI Switchgear, incorporated in 1982, is a Kolkata-based company engaged in the manufacture of high and low voltage electrical power resistors. The operations of the company are managed by Mr. Pankaj Bhaiya, Director. The company sells its products under the 'RSI Switchgear' brand name in the domestic market.

For FY2014-15, RSI Switchgear reported profit after tax (PAT) of Rs.0.25 crore on operating income of Rs.27.19 crore, as compared with PAT of Rs.0.16 crore on operating income of Rs.13.30 crore in FY2013-14. The company's net worth stood at Rs.10.36 crore as on March 31, 2015, as compared with Rs.10.11 crore a year earlier.

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.



SMERA RATINGS LIMITED

RSI Switchgear Private Limited (RSI Switchgear)

*Rating
Rationale*

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