

April 22, 2016

Facilities	Amount (Rs. Crore)	Rating
<b>Cash Credit</b>	<b>6.00</b>	<b>SMERA BB-/Stable (Assigned)</b>
<b>Term Loan</b>	<b>6.32</b>	<b>SMERA BB-/Stable (Assigned)</b>
<b>Long Term Facility (Proposed)</b>	<b>3.49</b>	<b>SMERA BB-/Stable (Assigned)</b>

SMERA has assigned long-term rating of '**SMERA BB-**' (**read as SMERA double B minus**) on the Rs.15.81 crore bank facilities of S.S.B. Engineers Private Limited (SSB). The outlook is '**Stable**'.

The rating draw support from the established track record of operations and experienced management. However, the rating are constrained by the small scale of operations and average financial profile marked by net loss of Rs.0.48 crore in FY2014-15, moderate gearing of 1.76 times and weak liquidity profile (95% bank limit utilised during the period August 2015 to February 2016). SMERA also factors in the highly competitive and fragmented nature of business.

### Outlook: Stable

SMERA believes SSB will maintain a stable business risk profile in the medium term owing to its established operations and extensive experience of the promoters. The outlook may be revised to 'Positive' in case of significant improvement in operations, profitability and networth. Conversely, the outlook may be revised to 'Negative' if the financial risk profile deteriorates.

### Rating Sensitivity Factors

- Scaling up of operations while maintaining margins
- Improvement in working capital requirement

### About the Company

Alwar, Rajasthan based company SSB was incorporated in 1995 by Mr. Deven Bhatia and Mr. Ram Bhatia. The company is engaged in the manufacture of forged, rolled, machined parts and other auto components such as bearing cup, bearing cone, bars, rings etc. The manufacturing capacity of bearing cups and cones are 10000 tonnes per annum.

For FY2014-15, the company reported loss of Rs.0.48 crore on operating income of Rs.28.70 crore, as compared with PAT of Rs.0.17 crore on operating income of Rs.27.07 crore in FY2013-14. The net worth stood at Rs.5.54 crore as on March 31, 2015 against Rs.6.06 crore a year earlier. The total debt of Rs.11.71 crore includes unsecured loans of Rs.1.97 crore that are subordinated to bank debt as on March 31, 2015.

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