

Radhadarshan Petropack LLP: Assigned

Name of the Instruments	Amount (Rs. Crore)	Rating/Outlook
Term Loan	13.66	SMERA B/Stable (Assigned)
Cash Credit	3.00	SMERA B/Stable (Assigned)
Proposed Fund Based Facility	0.34	SMERA B/Stable (Assigned)

SMERA has assigned long-term rating of '**SMERA B**' (read as **SMERA B**) to the above mentioned bank facilities of Radhadarshan Petropack LLP (RPL). The outlook is '**Stable**'. The rating is constrained by the limited track record of operations and the highly competitive textile industry. However, the rating draws comfort from the experienced management and low off take risk.

RPL was established in 2015 and commenced operations in March 2016. The firm has limited track record of operations. However, the management possesses experience of over a decade in this line of business. The firm faces low off take risk considering the domestic and export orders in hand.

Rating Sensitivity Factors

- Timely servicing of debt obligation
- Operational efficiency

Outlook-Stable

SMERA believes that RPL will maintain a stable outlook in the medium term owing to the extensive experience of the management. The outlook may be revised to 'Positive' if the firm generates healthy cash flows from operations while achieving healthy financial risk profile. Conversely, the outlook may be revised to 'Negative' in case of debt funded capex plan or deterioration in the financial risk profile.

Criteria applied to arrive at the rating:

- Manufacturing Entities

About the Firm

RPL, established in 2015, is a Surat-based firm engaged in the manufacture of road fabric, coating and reinforcement fabrics. The firm is promoted by Mr. Ayush Agarwal, Mr. Binay Radhakishan Agarwal, Mr. Rajesh Kumar Purushottam Das Nigania and Mr. Purushottam Das Nigania. The commercial operations commenced in March, 2016.

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ABOUT SMERA

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