

Om Dutta Industries: Assigned

Facilities	Amount (Rs. Crore)	Rating/Outlook
Term Loan	3.20	SMERA B-/Stable (Assigned)
Term Loan	1.30	SMERA B-/Stable (Assigned)
Cash Credit	1.70	SMERA B-/Stable (Assigned)

SMERA has assigned long term rating of '**SMERA B-**' (**read as SMERA B minus**) on the above mentioned bank facilities of Om Dutta Industries (ODI). The outlook is '**Stable**'.

The rating is constrained by the nascent stage of operations and delays in project completion. The rating also factors in the implementation and offtake risks. However, the rating is supported by the experienced promoters.

ODI is engaged in the manufacture of Calcined Petroleum Coke (CPC). The operations of the firm are at a nascent stage with commercial operations having commenced in July 2016 instead of April 2015. Also, the firm's ability to achieve adequate cash flows in future remains a key credit issue.

However, the rating is supported by the experience of the promoter, Mr. Piyush Kaushik, a civil contractor.

Rating Sensitivity Factors

- Achievement of revenues as envisaged
- Movement in debt-equity ratio and coverage indicators.

Outlook-Stable

SMERA believes that ODI will maintain a stable outlook in the medium term owing to the experience of the promoter. The outlook may be revised to 'Positive' in case the firm achieves the envisaged revenue and profitability. Conversely, the outlook may be revised to 'Negative' in case of lower profitability and/or the firm undertakes higher than expected debt-funded capex.

Criteria applied to arrive at the rating:

- Manufacturing Entities

About the Firm

ODI is a Madhya Pradesh-based partnership firm engaged in the manufacture of CPC used in steel, aluminium, graphite industries for aluminium smelting. The firm is headed by partners, Mr. Piyush Kaushik and Mrs. Manjula Kaushik. The manufacturing unit is located at Jhabua near Indore and has an installed capacity of 3000 MT per month. The net worth stood at Rs.3.06 crore in FY2015-16 as against Rs.2.00 crore a year earlier.

About the Project

ODI is a partnership firm established in 2010 by Mr. Piyush Kaushik and Mrs. Manjula Kaushik. The firm is engaged in the manufacture of CPC at Jhabua near Indore. The installed manufacturing capacity stands at 3000 metric tonnes per month.

Contacts:

Analytical	Business Development
Mr. Mohit Jain Vice President – Ratings Operations, Tel: +91-22-6714 1105 Cell: 9619911017 Email: mohit.jain@smera.in	Mr. Suman M Vice President – Business Development, Corporate Ratings Tel: +91-22-6714 1151 Cell: +91-9892306888 Email: suman.m@smera.in

ABOUT SMERA

SMERA Ratings Limited is a joint initiative of SIDBI, Dun & Bradstreet Information Services India Private Limited (D&B) and leading public and private sector banks in India. SMERA is registered with SEBI as a Credit Rating Agency and accredited by Reserve Bank of India. For more details, please visit www.smera.in.

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.