

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.

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ABOUT SMERA

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