

Press Release

Rohini Metals Industries (RMI)

30 January, 2017

Rating Assigned

Total Bank Facilities Rated*	Rs.5.00 Cr
Long Term Rating	SMERA B/Stable (Assigned)

**Refer Annexure for details*

Rating Rationale

SMERA has assigned long term rating of '**SMERA B**' on the Rs.5.00 crore bank facility of Rohini Metals Industries (RMI). The outlook is '**Stable**'.

RMI, established as a partnership firm in 2016, recycles lead acid batteries to manufacture lead ingots. The firm is headed by partners, Mr. Prakash Waghdhare and Mrs Sindhu Waghdhare.

List of key rating drivers and their detailed description

Strengths:

Experienced management: The promoter, Mr Prakash, possesses around 15 years of experience in the aforementioned line of business.

Weaknesses:

Limited operational track record: The firm started off with trading in lead ingot from March 2016 and subsequently ventured into manufacturing of the same from November 2016.

Modest scale of operations: As informed by the management, the firm has booked revenue of Rs.10.00 crore till December 2016.

Customer concentration risk: RMI caters only to Exide industries Limited thereby exposing itself to high customer concentration risk.

Analytical approach: SMERA has considered the standalone financial and business risk profiles of RMI.

Applicable Criteria

- Manufacturing Entities - <https://www.smera.in/criteria-manufacturing.htm>
- Application of Financial Ratios and Adjustments: <https://www.smera.in/criteria-fin-ratios.htm>
- Default Recognition: <https://www.smera.in/criteria-default.htm>

Outlook: Stable

SMERA believes that the outlook of RMI will remain Stable over the medium term owing to its experienced promoters. The outlook may be revised to 'Positive' if the firm achieves more than expected revenue and profit margins. Conversely, the outlook may be revised to 'Negative' in case of lower than expected revenues and profitability or deterioration in the capital structure.

About the Rated Entity

RMI, established as a partnership firm in 2016 recycles lead acid batteries to manufacture lead ingots. The firm is headed by partners, Mr. Prakash Waghdhare and Mrs Sindhu Waghdhare. The manufacturing facility is located at Nagpur.

Status of non-cooperation with previous CRA (if applicable): Not Applicable

Any other information: Not Applicable

Rating History for the last three years:

Name of Instrument /Facilities	2017			2016		2015	
	Scale	Amount (Rs. Crore)	Rating with Outlook	Date	Rating	Date	Rating
Cash Credit	LT	5.00	SMERA B/Stable	-	-	-	-

***Annexure – Details of instruments rated:**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/ Outlook
Cash Credit	N.A	N.A	N.A	5.00	SMERA B/Stable

Note on complexity levels of the rated instrument:

<https://www.smera.in/criteria-complexity-levels.htm>

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ABOUT SMERA

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