

Metecno India Private Limited: Assigned

Name of the Instruments	Amount (Rs Crore)	Ratings/Outlook
Cash Credit	9.00	SMERA B-/Stable (Assigned)
Working Capital Term Loan	17.34	SMERA B-/Stable (Assigned)
Funded Interest Term Loan	0.68	SMERA B-/Stable (Assigned)
Term Loan	1.09	SMERA B-/Stable (Assigned)
Letter of Credit#*	14.00	SMERA A4 (Assigned)
Bank Guarantee*	4.00	SMERA A4 (Assigned)
Facility (Proposed)	10.33	SMERA B-/Stable (Assigned)

#25% two way inter-changeability between CC and LC Permitted

*50% two way inter-changeability between BG and LC Permitted

SMERA has assigned ratings of '**SMERA B-**' (read as **SMERA B minus**) and **SMERA A4** (read as **SMERA A four**) to the Rs.56.44 crore bank facilities of Metecno (India) Private Limited (MIPL). The outlook is '**Stable**'.

The ratings are constrained by the below average financial profile, working capital intensive operations and net losses incurred in the past three years. The ratings are also constrained by the deteriorating debtor profile and intense competition in the fragmented industry. However, the ratings draw support from the experienced management and reputed clientele.

Rating Sensitivity Factors

- Scaling up operations while improving profit margins and debtor profile
- Improvement in the financial risk profile

Outlook-Stable

SMERA believes that MIPL will maintain a stable business profile over the medium term owing to support from its group companies and extensive industry experience. The outlook may be revised to 'Positive' if the company reports significant increase in revenue and operating margin leading to improvement in its financial risk profile. Conversely, the outlook may be revised to 'Negative' in case of weakening of the working capital management or decline in cash accruals affecting the financial risk profile.

Criteria applied to arrive at the ratings:

- Manufacturing Entities

About the Company

MIPL, part of the Metecno Group, manufactures insulated panels for roofing and walling. The products are green certified and used in industrial buildings, commercial complexes and cold storages to name a few. The Metecno Group is a pioneer in the production of insulated panels with 23 manufacturing units in 17 countries.

The company reported revenue of Rs.68.33 crore for FY2015 as compared to Rs.56.41 crore for FY2014.



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ABOUT SMERA

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