

May 26, 2015

Facilities	Amount (Rs. Crore)	Ratings
Term Loan	1.35	SMERA B/ Stable (Assigned)
Cash Credit	7.45	SMERA B/Stable(Assigned)
Overdraft	1.80	SMERA B/Stable (Assigned)

SMERA has assigned ratings of '**SMERA B' (read as SMERA single B)** to the Rs.10.60 crore bank facilities of Freemans Measures Private Limited (FMPL). The outlook is '**Stable**'. The ratings are constrained by the company's small-scale operations in an intensely competitive segment of the measuring tape industry. The ratings are also constrained by the company's weak debt protection metrics. However, the ratings draw comfort from the company's established operations and experienced management.

FMPL, established in 1950, is a Ludhiana-based company engaged in manufacturing of measuring tapes. FMPL has small-scale operations marked by operating income of Rs.25.05 crore in FY2013-14 (refers to financial year, April 01 to March 31). The company faces intense competition from several players in the tape manufacturing industry. FMPL's weak debt protection metrics are reflected in high leverage (debt-equity ratio) of 2.71 times as on March 31, 2014 and moderate interest coverage ratio of 1.90 times in FY2013-14.

HIPCL benefits from its experienced management. The promoters of the company have around three decades of experience in the tape manufacturing industry.

Outlook: Stable

SMERA believes FMPL will maintain a stable business risk profile over the medium term. The company will continue to benefit from its experienced management. The outlook may be revised to 'Positive' in case the company registers higher-than-expected revenue and cash accruals while achieving healthy debt protection metrics. The outlook may be revised to 'Negative' in case the company registers lower-than-expected revenue and profit margins, or in case of deterioration in the company's financial risk profile.

About the company

BPIPL, established in 1950, is a Ludhiana-based company promoted by Mr. M.M. Nayar and Mr. Kanwal Nayar. FMPL is engaged in manufacturing of measuring tapes.

For FY2013-14, FMPL reported profit after tax (PAT) of Rs.0.26 crore on operating income of Rs.25.05 crore, as compared with PAT of Rs.0.15 crore on operating income of Rs.23.20 crore in FY2012-13. The company's net worth stood at Rs.4.47 crore as on March 31, 2014, as compared with Rs.4.22 crore a year earlier.

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.



SMERA RATINGS LIMITED

Freemans Measures Private Limited (FMPL)

*Rating
Rationale*

Contact List:

Media/Business Development	Analytical Contacts	Rating Desk
Antony Jose Vice President – Business Development, Mid Corporate Tel: +91-22-6714 1191 Cell: +91 9820802479 Email: antony.jose@smera.in Web: www.smera.in	Parimal Thakker Manager – Operations Tel: +91-11-41806663 Email: parimal.thakker@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@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.