



Rating Rationale

Raasvin Rubbers Private Limited

4 Aug 2017

Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of Rs. 10.33 Crs of Raasvin Rubbers Private Limited.

Particulars

Facility Rate*	Amount (Rs. Crs)		Tenure	Rating ^	
	Previous	Present		Previous	Present
Fund Based	10.29	10.13	Long Term	BWR BB- Outlook: Stable	Reaffirmed at BWR BB- Outlook: Stable
Non-Fund Based	0.20	0.20	Short Term	BWR A4	Reaffirmed at BWR A4
Total	10.49	Rs. 10.33 Crores (Rupees Ten Crores and Thirty Three Lakhs Only)			

^ Please refer to BWR website www.brickworkratings.com/ for definition of the ratings.

* Details of the rated facilities have been mentioned in the annexure.

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the audited financial results up to FY16, Provisional financials of FY17, projected financials of **Raasvin Rubbers Pvt Ltd** up to FY19, publicly available information and information/ clarifications provided by the company's management.

The rating draws strength from the experience of the promoters, improved revenues and profitability margins, diverse and reputed clientele. However, the rating is constrained by modest scale of operations, high inventory levels, working capital intensive nature of operations and susceptibility of profitability to the volatility in the raw material prices and fragmented nature of industry.

Going forward, the ability of the company to improve revenues and profitability margins, manage liquidity and improve order book position would be the key rating sensitivities.



Rating Outlook: Stable

BWR believes that **Raasvin Rubbers Pvt Ltd's** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company

Raasvin Rubbers Pvt Ltd was incorporated as a private limited Company during the year 1998 in Bhopal, Madhya Pradesh. The Company is engaged in manufacturing of Hydraulic hose, automotive and Industrial hose. In addition, RRPL also manufactures end point hose assemblies and connectors. RRPL is ISO 9001:2008 Quality certified company which is operating with two manufacturing units at Govindpura, Bhopal and Sehatganj in Raisen district. The second unit of Sehatganj has commenced operations from September 2015. The company procures raw material domestically and sells its finished products in both the domestic and international markets.

Company Financial Performance

Parameters	FY16(Audited) (Rs. Crs)	FY17(Provisional) (Rs. Crs)
Net Sales/Revenues	14.00	15.82
EBIDTA	3.00	3.59
Profit after tax (PAT)	0.27	0.95
Tangible Networkth	7.10	8.05
Total debt/TNW	1.80 Times	1.61 Times

P: Provisional, A: Audited

Improved capacity utilization has resulted 13.00% growth in the revenues of the company in FY17 as against FY16. However, profit after tax (PAT) has improved to Rs. 0.95 Crs in FY17 as against Rs. 0.27 Crs FY16. Due to additional capital infusion and retention of profit to the business, gearing has reduced for the company in FY17.

Status of non-cooperation with previous CRA: Not Applicable

Rating History for the last three years (including withdrawn/suspended ratings)



Sl. No.	Instrument / Facility	Current Rating (Year 2017)			Rating History (March, 2016)		Rating History (2014)	Rating History (2014)
		Type (Long Term/ Short Term)	Amount (Rs Crs)	Rating	Amount (Rs Crs)	Rating	Rating & Amount (Rs Crs)	Rating & Amount (Rs Crs)
1.	Fund Based	Long Term	10.13	BWR BB-	10.29	BWR BB-	-	-
2.	Non Fund Based	Short Term	0.20	BWR A4	0.20	BWR A4	-	-

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)

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Annexure - Rated facilities details

Facility	Limits (Rs. Cr)	
	Present	Previous
Fund Based: Cash Credit	4.50	3.50
Fund Based: Term Loan*	5.63	6.79
Non-Fund Based Bank Guarantee	0.20	0.20
Total	10.33	10.49

*Term loan outstanding amount as on date 28/07/2017 has been considered for Rating.



For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

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