

R.A. Metals Pvt Ltd

Rating Report

**India Ratings & Research's (Ind-Ra)
NSIC – Performance and Credit Rating**
NSIC-Ind-Ra SE 2B

Report date
7 July 2015

Valid till
6 July 2016

**“High Performance Capability &
Moderate Financial Strength”**

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NSIC - Performance and Credit Rating

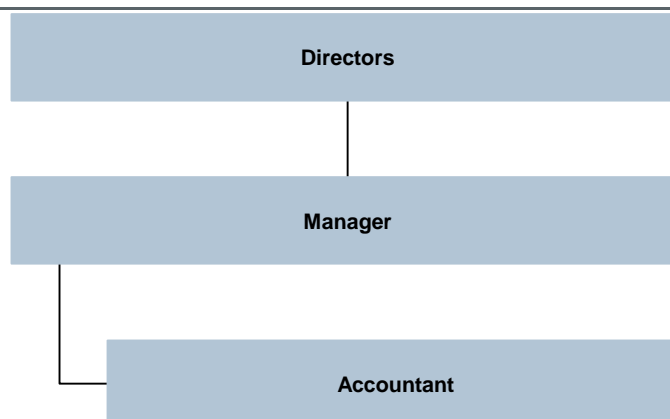
		High A	Moderate B	Low C
SE 2B indicates	Highest	1		
Performance Capability	High	2	R.A. Metals Pvt Ltd	
and Moderate Financial	Moderate	3		
Strength	Weak	4		
	Poor	5		

Fact Sheet & Business Profile

Name of the company	R.A. Metals Pvt Ltd (RAMPL)
Year of incorporation	2011
Business	Trading of Non-Ferrous Metals
Legal status	Private Limited
Category of unit	General
Registered with	DIC
Registration number	060192200324
SSI Registration number	060192200324
Administrative office	Plot No.: 79, Indra Industrial Complex, Neharpar, Old Faridabad, Faridabad, Haryana
Branch Office	Plot No. 2584, Sector-16, Opp. Sagar Cinema, Faridabad-121002 S. No.3, G.F., 2120, Sona Bazar, Bhagirath Palace, Delhi
Industry	Metal
Chief executive	Mr. Ajay Grover
Branch offices	2
Total manpower (permanent and temporary) also mentions the number of professional employees (Like B.E., C.A., Doctor, etc.)	Permanent employees – 15
Installed capacity	n.a.
Auditor's name	Manoj Dinesh & Associates
End use of the product	Alloys Manufacturing
Raw material required	n.a.
Plant and machinery used (When was it purchased)	n.a.
Certifications/awards	n.a.

Source: R.A. Metals Pvt Ltd, Ind-Ra

Organisation Structure



Process Flow Diagram

n.a.

Management Profile

Director (1)	
Name	Mr. Ajay Grover
Nature of involvement/role in the business undergoing rating	Looking after Operations
Designation	Director
Stake (%)	95%
Age	36 years
Education	MBA
Experience	12 years
Net worth	n.a.
Details of other businesses of the key persons (position, company name & nature of business)	n.a.
Director (2)	
Name	Mr. Rajesh Grover
Nature of involvement/role in the business undergoing rating	Overall Operations
Designation	Director
Stake (%)	5%
Age	38 years
Education	MBA
Experience	13 Years
Net worth	n.a.
Details of other businesses of the key persons (position, company name & nature of business)	n.a.

Source: R.A. Metals Pvt Ltd, Ind-Ra

Strengths & Weaknesses

Strengths	Weaknesses
Y-o-Y Improvement in the revenue over the three FYs under study	Decline in interest coverage in FY14
Experienced promoters	Increase in Debt-equity and leverage ratio of the company in FY14

Business Profile

Product profile	Trading of non-ferrous metals like copper, nickel, zinc, tin, etc.
Installed capacity	n.a.
Supplier information	Declined to provide
Customer information	Declined to provide
Orders in hand	n.a.

Source: R.A. Metals Pvt Ltd, Ind-Ra

Future Plans & Marketing Arrangement

- The entity plans to focus on the same line of business
- The promoters have more than a decade of experience in the industry, so the marketing is mainly done through personal contacts

Source: R.A. Metals Pvt Ltd, Ind-Ra

Bank and Insurance Details

Bank Details (Amount Outstanding as on 31 March 2013)

Name and address of the bank	Facilities enjoyed	Limit/loan amount (INRm)	Rate of interest (%)
United Bank of India	Cash Credit	29.5	13.45
	LC (Sublimit of CC)	27.5	n.a.

Insurance Details

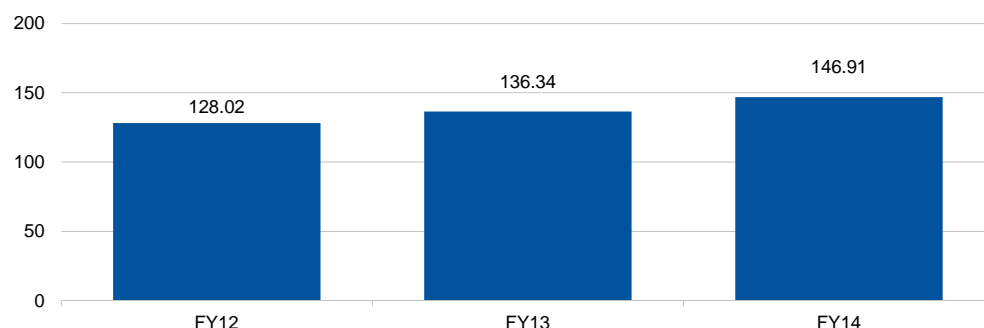
Assets not insured

Financial Summary

Key financials	FY12	FY13	FY14
Revenues	128.02	136.34	146.91
Operating EBITDA	0.52	1.59	2.08
Op. EBITDA margin (%)	0.41	1.17	1.42
Interest	0.34	1.01	1.57
PAT	0.14	0.17	0.17
Cash & bank balances	5.03	1.32	0.69
Short term debt	8.82	9.71	14.79
Long term debt	0.00	1.29	2.53
Total debt	8.82	11.00	17.31
Net cash cycle	26	37	45
EBITDA interest coverage	1.55	1.57	1.33
Net financial leverage	7.24	6.09	7.99
Debt-equity	1.11	1.40	2.90

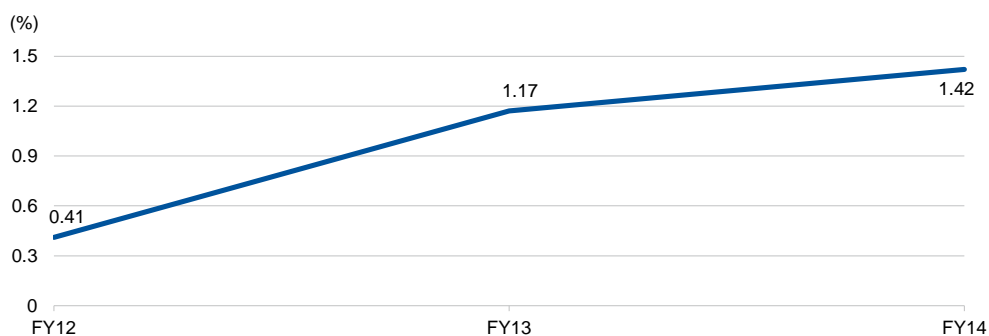
Note: The above financials table have been prepared from the audited financials provided to Ind-Ra by the entity
Source: R.A. Metals Pvt Ltd, Ind-Ra

Revenues



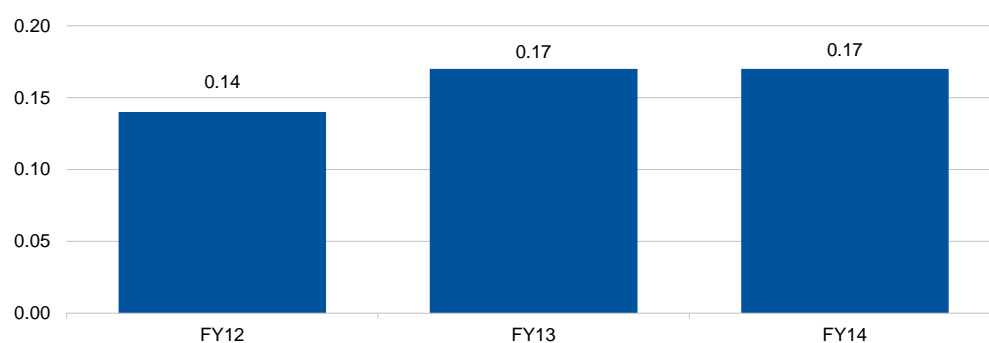
- **Revenue** – The overall revenue stood at INR146.91m in FY14. It has been improving over the years under study, with a CAGR of 7.12%. Management expects a similar level of growth in the medium term

Op. EBIDTA Margin



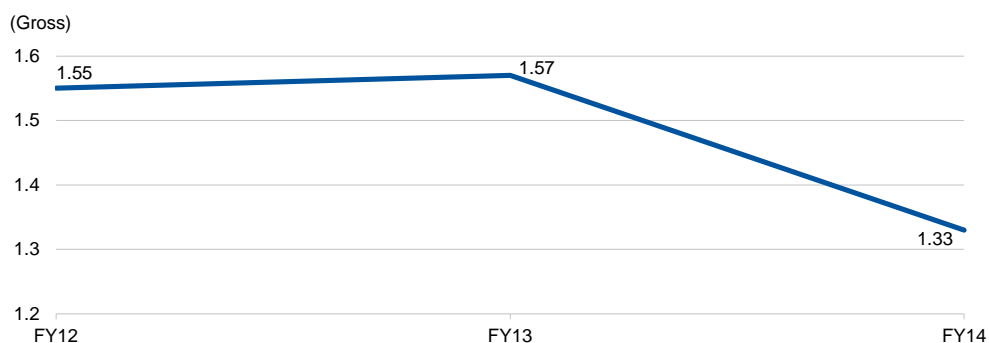
- **Profitability** – RAMPL's EBITDA margin has been low due to the inherent nature of trading business. It stood at 1.42% in FY14 improved from 1.17% in FY13, mainly due to fall in forex loss and cost of sales

PAT



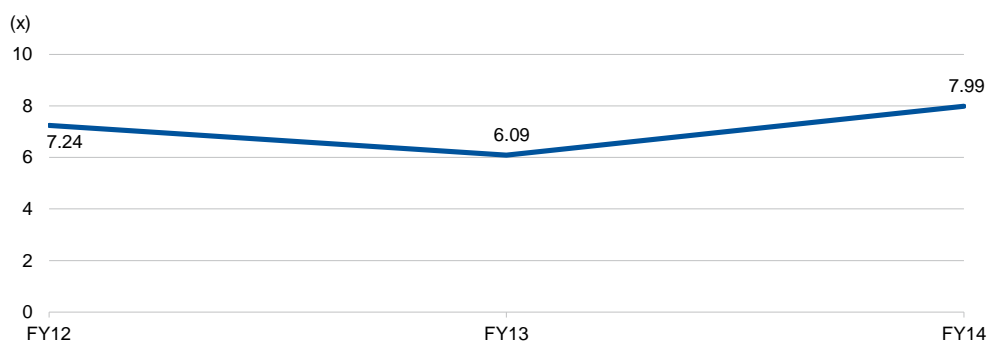
- **PAT** – The PAT of company has been improving over the years under study. PAT has increased at a slow pace in FY14 mainly due to higher interest expenses during the year. It stood at INR0.17m in FY14

EBITDA Interest Coverage



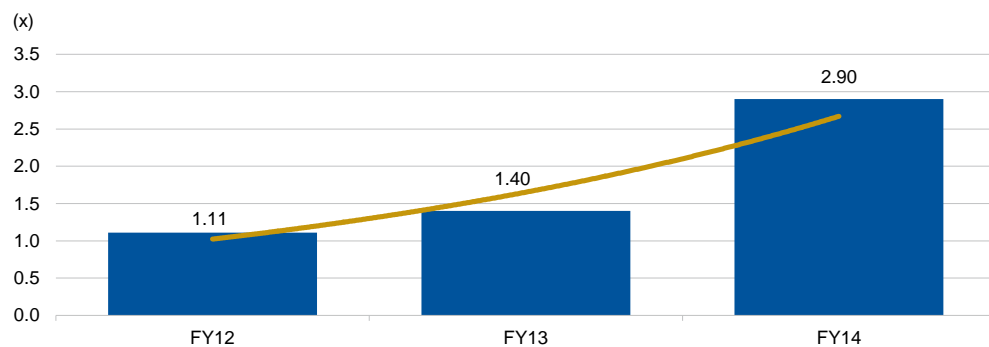
- **Interest coverage** – EBITDA interest coverage has fallen in FY14 to 1.33x from 1.57x in FY13. The increased working capital limits lead to increased interest expenses and in turn low interest coverage ratio

Net Financial Leverage



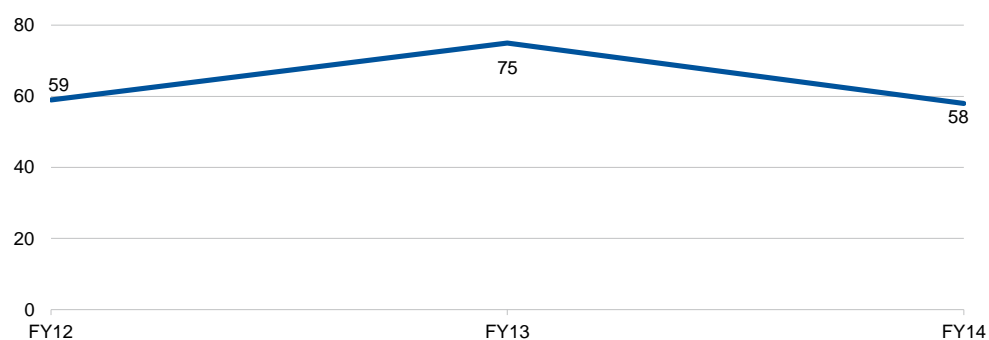
- **Leverage** – The net financial leverage of RAMPL stood at 7.99x (FY13: 6.09x). The increase was driven by enhanced fund based working capital limits. RAMPL does not plan to increase its debt facilities in near term

Debt-Equity

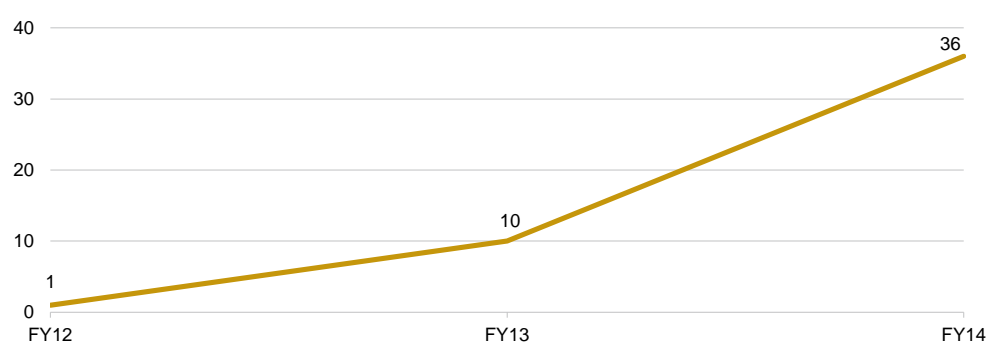


- **Debt-Equity** – Debt Equity ratio of RAMPL stood at 2.90x in FY14 (FY13: 1.40). It has almost doubled in FY14. The main reason is enhancement of working capital limits and increased level of unsecured loans from promoters

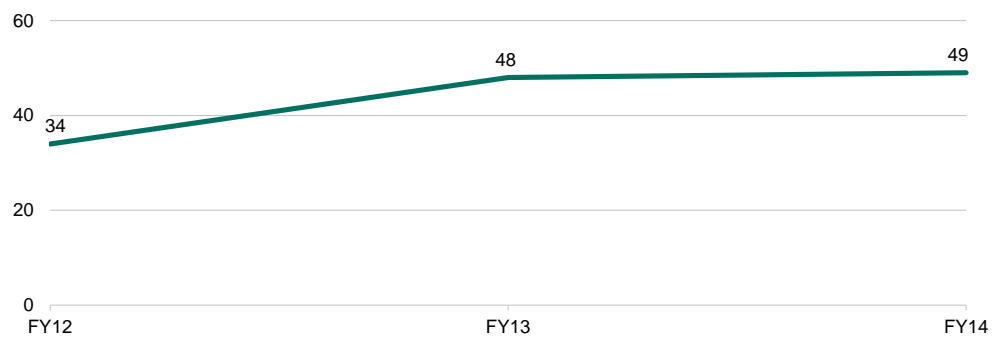
Receivable Days



Inventory Days



Payable Days

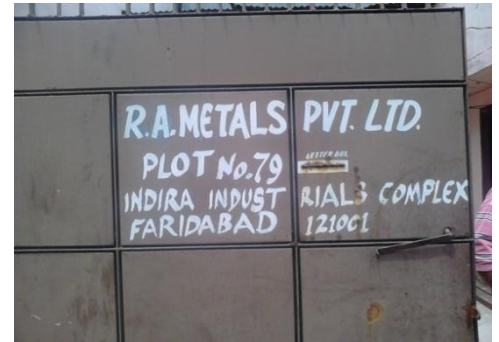


- **Debtor, creditor and inventory days** – The receivable and payable days has decreased from 75 days in FY13 to 58 days in FY14, while payable days increased to 49 days in FY14. The inventory days have been increasing over the years under study. The net cash cycle remained stood at 45 in FY14

Site Visit Information

Address of the site visited	Plot No.: 79, Indra Industrial Complex, Neharpar, Old Faridabad, Faridabad, Haryana	
Size of the premises	250 Sq. Ft	
Location (i.e. Industrial/commercial/residential/other specify)	Industrial Area	
Accessibility	Readily accessible	
Ownership	Rented	
Locational advantage	(a) Distance from railhead: Approx. 8 Kms from Faridabad Railway Station (b) Distance from Highway: 5 Kms (c) Proximity to the consumption centre: PAN India (d) Proximity to raw material source: Overseas (60%) and India (40%) (e) Proximity to centre supplying manpower: Local	
Infrastructure development state	Developed	
Building type	Permanent	
Ownership of office/factory/works	Rented	
Owned by whom	Family Member	
Group companies located in the same premises, if any	No	
Number of employees at the location	Permanent employees - 15	
Competitors located nearby, if any	Yes	
Factory layout	n.a.	
Electricity units consumed	n.a.	
Features available at the site	Factory	Office
Fire protection devices	n.a.	Yes
First-aid-box	n.a.	Yes
Sanitation status	n.a.	Yes
Power-backup	n.a.	Yes
Name/sign board	n.a.	Yes
Any other (please specify)	n.a.	No
Source: R.A. Metals Pvt Ltd, Ind-Ra		

Photographs of the Site



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