



March 2, 2010

ICRA assigns LBB+/A4+ ratings to the bank facilities of Mahavir Rolling Mill Limited

ICRA has assigned LBB+ (pronounced L double B plus) rating to Rs. 165 million fund based bank facilities of Mahavir Rolling Mill Limited (MRML) on long term scale and A4+ (pronounced A four plus) rating to Rs.60 million non fund based bank facilities on short term scale.[†] The outlook on the long term rating is Stable.

The assigned ratings reflect MRML's high sector and customer concentration, vulnerability to cyclical nature of industry and low entry barriers due to less value addition on raw material by MRML. However, the rating draws comfort from MRML's established presence as a manufacturer of mild steel products, long standing association with its largest customer and improved gearing following an equity infusion in FY09.

Company Profile:

Mahavir Rolling Mill Ltd (MRML) was incorporated in 1992 to produce and sell various types of mild steel products such as CTD bars, M.S. Round bars, M.S. Square bars, M.S. Angles and M.S. Flats. MRML is not listed on any stock exchange. The company has its manufacturing plant in Vatva, Ahmedabad.

MRML has annual installed capacities of 27,000 tons. MRML's customer base includes Gujarat Electricity Board (GEB) and other small sized local traders. Approximately, 70% of operating income for FY09 was contributed by sales to GEB.

MRML was promoted by Mr. Kishorechand Bansal who currently manages along with Mr. Moulik Bansal.

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ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

[†] For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications.

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