

July 02, 2019

Shiv Om Brass Industries: Ratings Withdrawn

Summary of rating action

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based- Term Loan	3.33	3.33	[ICRA]BB (Positive); Withdrawn
Fund-based- Cash Credit [#]	7.50	7.50	[ICRA]BB (Positive); Withdrawn
Fund-based- PCL/PCFC/FDBN/FDBP/FDBD/RACB ^{^#}	(7.50)	(7.50)	[ICRA]A4; Withdrawn
Total	10.83	10.83	

*Instrument details are provided in Annexure- 1

[^]Sublimit of Cash Credit facility

[#]used interchangeably within overall limit of Rs. 7.50 crore

Rationale

The long-term and short-term ratings assigned to Shiv Om Brass Industries (SOBI/the firm) have been withdrawn at the request of the firm, based on the no-due certificate provided by its banker.

Outlook: Stable

ICRA has withdrawn the Positive outlook on the long-term rating.

Key rating drivers

Not applicable

Liquidity Position: Not applicable

Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology ICRA's Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not Applicable
Consolidation / Standalone	Not Applicable

About the company:

Shiv Om Brass Industries (SOBI) was originally established as a proprietorship concern by Mr. Snehal Gohel in 1992. Later, in 2005, the firm was reconstituted as a partnership firm with seven partners, including a body corporate, Akshar Metals Private Limited. The key promoters, Mr. Ashishbhai Rabadia and Mr. Snehal Gohel who manage the operations of the firm, have more than a decade of experience in the brass component industry. SOBI manufactures a wide product range of precision turned brass components, which includes terminal bars, earthing bars, fasteners, inserts, switchgear parts,

fitting parts, nuts, bolts and other turned parts. The manufacturing unit in Bhavnagar, Gujarat, has a production capacity of 300 metric tonnes of precision-turned brass components per month.

Key financial indicators – (audited)

	FY2017	FY2018
Operating Income (Rs. crore)	29.04	43.69
PAT (Rs. crore)	0.24	0.81
OPBDIT/ OI (%)	13.32%	12.62%
RoCE (%)	6.11%	7.59%
Total Debt/ TNW (times)	0.83	0.64
Total Debt/ OPBDIT (times)	3.48	2.31
Interest Coverage (times)	3.10	3.54

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

Instrument	Type	Current Rating (FY2020)		Date & Rating July 2019	Chronology of Rating History for the past 3 years		
		Amount Rated (Rs. crore)	Amount Outstanding as on March 31, 2019 (Rs. Crore)		Date & Rating in FY2019 September 2018	Date & Rating in FY2018 February 2018	Date & Rating in FY2017 September 2016
1 Term Loan	Long Term	3.33	NA	[ICRA]BB (Positive) Withdrawn	[ICRA]BB (Positive)	[ICRA]BB (Stable)	[ICRA]BB- (Stable)
2 Cash Credit [#]	Long Term	7.50	NA	[ICRA]BB (Positive) Withdrawn	[ICRA]BB (Positive)	[ICRA]BB (Stable)	[ICRA]BB- (Stable)
3 PCL/PCFC/FDBN/FDBP/FDBD/RACB [^]	Short Term	(7.50)	NA	[ICRA]A4 Withdrawn	[ICRA]A4	[ICRA]A4	[ICRA]A4
4 Unallocated Limits	Long Term/ Short Term	-	-	-	-	[ICRA]BB (Stable)/ [ICRA]A4	[ICRA]BB- (Stable)/ [ICRA]A4

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Complexity level of the rated instrument:

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

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan	NA	NA	NA	3.33	[ICRA]BB(Positive); Withdrawn
NA	Cash Credit [#]	NA	NA	NA	7.50	[ICRA]BB(Positive); Withdrawn
NA	PCL/PCFC/FDBN/FDBP/FDBD/RACB ^{^#}	NA	NA	NA	(7.50)	[ICRA]A4; Withdrawn

[^]Sublimit of Cash Credit facility

[#]used interchangeably within overall limit of Rs. 7.50 crore

Source: Shiv Om Brass Industries

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