

## Kunj Bihari Lal Radhey Shyam Metals Pvt. Ltd.

Instrument	Amount Rated	Rating Action
	In Rs. Crore	May' 2016
Fund Based Facility	7.5	[ICRA]B+; Assigned
<b>Total</b>	<b>7.5</b>	

ICRA has assigned the long term rating of [ICRA]B+ (pronounced ICRA B Plus) to the Rs. 7.5 crore<sup>1</sup> fund based bank facilities of Kunj Bihari Lal Radhey Shyam Metals Pvt. Ltd. (KMPL)<sup>2</sup>.

ICRA's assigned rating derives comfort from the long experience of the promoters in brass products and the firm's established clientele, which helps it generate repeat business resulting revenue growth. The rating however remains constrained on account of the company's modest scale of operations and its stretched liquidity position owing to its elongated receivable cycle and high inventory requirements. This apart, the rating also takes into account KMPL's modest financial profile characterized by thin margins and leveraged capital structure, with gearing of 3.3 times, Debt/OPBDITA of 8.4 times as on March 2015.

The company's ability to profitably scale up its operations while improving its liquidity profile and debt coverage will be the key rating sensitivities

### Company Profile

Incorporated in 1987, Kunj Bihari Lal Radhe Shyam Metals Private Limited is a private limited company based in Mirzapur, Uttar Pradesh. The company is a manufacturer and distributor for brass kitchen utensils and brass sheet circles. Mr Rajesh Agarwal, who has more than three decades of experience in the industry, manages the operations.

### Recent Results

The company reported an operating income of Rs. 25.54 crore and a net profit of Rs. 0.02 crore in FY2015 as against an operating income of Rs. 23.36 crore and a net profit of Rs. 0.14 crore for FY2014. Further the company reported operating income of Rs 24.0 crore in FY2016 on provisional basis.

**May 2016**

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<sup>1</sup> 100 lakh = 1 crore = 10 million

<sup>2</sup> For complete rating scale and definitions, please refer to ICRA's website [www.icra.in](http://www.icra.in) or other ICRA Rating Publications.



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