

June 2, 2010

**CARE ASSIGNS 'CARE BBB-' AND 'PR3' RATING TO THE BANK FACILITIES OF RASHTRIYA METAL INDUSTRIES LTD.**

**Ratings**

Facilities/Instruments	Amount (Rs. crore)	Ratings <sup>1</sup>	Remarks
Long-term Bank Facilities	80.53	'CARE BBB-' (Triple B Minus)	Assigned
Short-term Bank Facilities	46.72	'PR3' (PR Three)	Assigned
<b>Total Facilities</b>	<b>127.25</b>		

**Rating Rationale:**

The ratings derive strength from long experience of RMIL and its promoters in the non-ferrous industry, the company's well-established customer relationships with a strong order book size, and the significant property rights held in a prime location.

The ratings are constrained by the company's exposure to fluctuating metal prices, small size of operations, project execution risk, time and cost overruns in project, and the large size of the project compared to the net worth of the company.

The completion of the project and stabilisation of the capacities to achieve the envisaged sales remain the key rating sensitivity

**Company Profile**

Established in 1946, Rashtriya Metal Industries Limited is into manufacturing of copper alloy strips, that find application in watches and locks to electrical equipment and coins. The company is also into the production of bullet cups (used in the manufacture of bullets) for past ten years with a capacity to manufacture 4,572 mtpa of strips and coils.

The company registered profit after tax of Rs.4.95 crore on total operating income of Rs.93.75 crore in FY09. In 9MFY10, on total income of Rs.87.42 crore, it achieved PAT of Rs.7.20 crore.

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***CARE classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries /regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.***

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<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com)

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