

February 12, 2015

Facilities	Amount (Rs. Crore)	Rating
Term Loan	8.00	SMERA B/Stable (Assigned)
Term Loan (proposed)	2.00	SMERA B/Stable (Assigned)

SMERA has assigned a long-term rating of '**SMERA B' (read as SMERA single B)** to the Rs.10.00 crore bank facilities of Aaryan Hitech Steels India Private Limited (AHSIPL). The outlook is '**Stable**'. The rating is constrained by the company's short track record of operations and weak financial risk profile. However, the rating draws comfort from the company's experienced management.

AHSIPL, incorporated in 2012, is a Chennai-based company promoted by Mr. Sunil Kumar Jallan and Mr. Sandeep Kumar Jallan. AHSIPL has leased out its factory unit to its group entity, namely, A One Steels India Private Limited, which is engaged in manufacturing of TMT bars. AHSIPL's weak financial risk profile is marked by high gearing (debt-equity ratio) of ~10 times as on March 31, 2014.

AHSIPL benefits from its experienced management. Mr. Sunil Kumar Jallan and Mr. Sandeep Kumar Jallan, directors of AHSIPL, have around ten years of experience in the iron and steel industry.

Outlook: Stable

SMERA believes the outlook on AHSIPL's rated facilities will remain stable over the medium term. The outlook may be revised to 'Positive' in case the company registers healthy growth in rental income while achieving a comfortable financial risk profile. Conversely, the outlook may be revised to 'Negative' in case the company registers lower-than-expected growth in rental income, or in case of deterioration in the company's financial risk profile.

About the company

AHIPL, incorporated in 2012, is a Bangalore-based company promoted by Mr. Sunil Kumar Jallan and Mr. Sandeep Kumar Jallan. AHIPL has leased out its TMT bar manufacturing facility to its group entity viz. A One Steels India Private Limited. The lease agreement started w.e.f. April 2014

As per the terms of the lease agreement, AHIPL is entitled to receive monthly rental income of Rs.22.50 lakhs from A One Steels India Private Limited. AHIPL's net worth stood at Rs.1.73 crore, against total debt of Rs.15.47 crore as on March 31, 2014.

Contact List:

Media / Business Development	Analytical Contacts	Rating Desk
Sanjay Kher Vice President – Sales, Corporate Ratings Tel: +91-22-6714 1193 Cell: +91 9819136541 Email : sanjay.kher@smera.in Web: www.smera.in	Ashutosh Satsangi Vice President – Operations Tel: +91-22-6714 1107 Email: ashutosh.satsangi@smera.in	Tel: +91-22-6714 1170 Email: ratingdesk@smera.in