

March 27, 2015

Facilities	Amount (Rs. Crore)	Ratings
<b>Cash Credit</b>	<b>8.00</b>	<b>SMERA C (Assigned)</b>
<b>Letter of Credit</b>	<b>2.00*</b>	<b>SMERA A4 (Assigned)</b>

*\*Includes Letter of Guarantee (performance) as a sublimit to the extent of Rs.0.65 crore*

SMERA has assigned a long-term rating of '**SMERA C** (read as SMERA C)' and a short-term rating of '**SMERA A4** (read as SMERA A four)' to the Rs.10.00 crore bank facilities of Signora Texport Private Limited (STPL). The ratings reflect the company's weak financial risk profile and small scale of operations. The ratings are also constrained by the company's exposure to intense competition in the iron and steel industry.

STPL, incorporated in 1994, is a Mumbai-based company engaged in manufacturing of ingots. STPL's weak financial risk profile is reflected in high debt-equity ratio of 13.38 times as on March 31, 2014. The company incurred cash loss of Rs.3.06 crore in FY2013-14 (refers to financial year, April 01 to March 31). Moreover, STPL is likely to report cash loss in FY2014-15. The company's debt obligations are currently serviced through unsecured loans from promoters.

STPL has small-scale operations with revenue of Rs.30.03 crore in FY2013-14. The company faces intense competition from several players in the steel industry.

### About the company

STPL, incorporated in 1994, is a Mumbai-based company engaged in manufacturing of ingots. STPL has a manufacturing unit in Silvassa, with installed capacity of 24,000 metric tonnes per annum (MTPA). In June 2014, the business of STPL was taken over by Mr. Manish Gupta, Mr. Pradeep Mishra, Ms. Archana Garg and Mr. Virendra Yadav (from Mr. Ajay Singhal, Mr. U.K. Singhal, Mr. U. K. Ahuja, Mr. U.S. Agarwal and Mrs. Sujata Agarwal).

For FY2013-14, STPL reported net loss of Rs.2.30 crore on operating income of Rs.30.03 crore, as compared with profit after tax of Rs.0.01 crore on operating income of Rs.30.89 crore in FY2012-13. STPL reported operating income of Rs.45.00 crore (provisional) during April 01, 2014 to March 25, 2015. The company's net worth stood at Rs.0.73 crore as on March 31, 2014, as compared with Rs.3.03 crore a year earlier.

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SMERA RATINGS LIMITED

## Signora Texport Private Limited (STPL)

*Rating  
Rationale*

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