



SMERA RATINGS LIMITED

Deem Roll-Tech Limited (DRTL)

Rating Rationale

March 30, 2015

Facilities	Amount (Rs. Crore)	Rating
Working Capital Term Loan	8.10	SMERA D (Assigned)
Cash Credit*	15.00	SMERA D (Assigned)
Funded Interest Term Loan	4.36	SMERA D (Assigned)
Term Loan	6.87	SMERA D (Assigned)
Letter of Credit	3.15	SMERA D (Assigned)
Bank Guarantee	4.00	SMERA D (Assigned)

*Includes sub-limit of Loan Equivalent Risk (LER) Rs. 0.15 crore.

SMERA has assigned a rating of '**SMERA D**' (read as **SMERA D**) to Rs.41.48 crore bank facilities of Deem Roll-Tech Limited (DRTL). The rating reflects delays in servicing of debt availed by the company. The rating also considers operating losses and significant decline in revenues reported by the company in FY2013-14 (refers to financial year, April 01 to March 31).

About the company

DRTL, incorporated in 2003, is Gujarat-based Company engaged in manufacturing of cast iron and steel rolls. DRTL is promoted by Mr. Jyoti Bhattacharya. The company was initially engaged in undertaking job-work for machining of steel rolls. In 2005, DRTL started manufacturing of cast iron and steel rolls. The company has manufacturing units in Ganeshpura (Gujarat) and Hoogly (West Bengal) with installed capacity of 13,200 metric tonnes per annum (MTPA).

For FY2013-14, DRTL reported net loss of Rs.7 85 crore on operating income of Rs.48.70 crore, as compared with profit after tax of Rs.1.03 crore on operating income of Rs.86.81 crore in FY2012-13. DRTL's net worth stood at Rs.12.97 crore as on March 31, 2014, as compared with Rs.20.22 crore a year earlier.

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