

## Press Release

### Brahmaputra Metallics Limited

17 July, 2017

### Rating Downgraded



<b>Total Instruments Rated*</b>	Rs.325.95 Cr
<b>Long Term Rating</b>	SMERA D
<b>Short Term Rating</b>	SMERA D

# Refer Annexure for details

### Rating Rationale

SMERA has downgraded long-term rating of '**SMERA D**' (**read as SMERA D**) and short term rating of '**SMERA D**' (**read as SMERA D**) on the Rs. 325.95 crore bank facilities of Brahmaputra Metallics Limited.

Brahmaputra Metallics Limited (BML), incorporated in 2006, is a Guwahati-based company engaged in the manufacturing of sponge iron and mild steel billets at Ramgarh (Jharkhand). The installed capacity stands at 1,05,000 tonnes per annum for sponge iron and 1,58,400 tonnes per annum for billets. The company also has a 20 MW captive power plant. The directors of the company include Mr. Bajrang Lohia, Mr. Kaushik Agarwal and Mr. Santosh Kumar Jaiswal.

### Key Rating Drivers

#### Strengths

- **Experienced management**

The management has more than two decades of experience in the steel manufacturing industry

#### Weaknesses

- **Delays in debt servicing**

There have been delays in repayment of debt obligations in the past three months due to weak liquidity profile.

- **Weak financial risk profile**

The financial risk profile is weak evident from the high gearing of 5.73 times as on 31 March, 2016, interest coverage ratio (ICR) of 0.97 times and debt service coverage ratio (DSCR) of 0.57 times for FY2015-16.

### Analytical Approach

SMERA has considered the standalone business and financial risk profiles of the company to arrive at the rating.

### About the Rated Entity - Key Financials

For FY2015-16, BML reported losses of Rs. (12.19) crore on operating income of Rs.288.01 crore as compared with losses of Rs. (35.03) crore on operating income of Rs.312.87 crore for FY2014-15. The net worth as on 31 March, 2016 stood at Rs.41.47 crore as against Rs. 53.67 crore as on 31 March, 2015.

### Status of non-cooperation with previous CRA (if applicable)

None

### Any other information

None

### Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Manufacturing Entities - <https://www.smera.in/criteria-manufacturing.htm>

Note on complexity levels of the rated instrument

<https://www.smera.in/criteria-complexity-levels.htm>

### Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
14-Mar-2016	Term Loans	Long Term	INR 170.56	SMERA B- / Stable
	Working Capital Term Loan	Long Term	INR 31.88	SMERA B- / Stable
	Funded Interest Term loan	Long Term	INR 34.16	SMERA B- / Stable
	Cash Credit	Long Term	INR 44.49	SMERA B- / Stable
	Letter of Credit	Short Term	INR 44.86	SMERA A4
27-Jul-2015	Term Loans	Long Term	INR 170.56	SMERA B- / Stable
	Working Capital Term Loan	Long Term	INR 31.88	SMERA B- / Stable
	Funded Interest Term loan	Long Term	INR 34.16	SMERA B- / Stable
	Cash Credit	Long Term	INR 44.49	SMERA B- / Stable
	Letter of Credit	Short Term	INR 44.86	SMERA A4
14-Apr-2015	Term Loans	Long Term	INR 170.56	SMERA B- / Stable
	Working Capital Term loan	Long Term	INR 31.88	SMERA B- / Stable
	Funded Interest Term loan	Long Term	INR 34.16	SMERA B- / Stable
	Cash Credit	Long Term	INR 43.66	SMERA B- / Stable
	Letter of Credit	Short Term	INR 44.86	SMERA A4

**\*Annexure - Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Term loans	Not Applicable	Not Applicable	8-Mar-2016	114.31	SMERA D
Cash Credit	Not Applicable	Not Applicable	Not Applicable	24.11	SMERA D
Cash Credit	Not Applicable	Not Applicable	Not Applicable	11.83	SMERA D
Cash Credit	Not Applicable	Not Applicable	Not Applicable	8.55	SMERA D
Letter of credit	Not Applicable	Not Applicable	Not Applicable	10.00	SMERA D
Letter of credit	Not Applicable	Not Applicable	Not Applicable	8.08	SMERA D
Letter of credit	Not Applicable	Not Applicable	Not Applicable	15.55	SMERA D
Letter of credit	Not Applicable	Not Applicable	Not Applicable	11.23	SMERA D
Term loans	Not Applicable	Not Applicable	Not Applicable	55.33	SMERA D
Term loans (Proposed)	Not Applicable	Not Applicable	Not Applicable	26.51	SMERA D
Term loans	Not Applicable	Not Applicable	Not Applicable	40.45	SMERA D

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## ABOUT SMERA

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