



SMERA RATINGS LIMITED

Vidhata Metal Private Limited (VMPL)

*Rating
Rationale*

April 17, 2015

Facility	Amount (Rs. Crore)	Rating
WCTL	15.00	SMERA D (Assigned)

SMERA has assigned a rating of '**SMERA D' (read as SMERA D)** to the abovementioned bank facility of Vidhata Metal Private Limited (VMPL). The rating reflects ongoing delays in servicing of debt availed by the company.

The rating also reflects the company's weak financial profile marked by operating losses (in FY2013-14), high gearing (debt-to-capital ratio) and stretched liquidity position.

About the company

VMPL, incorporated in March 2008, is a Maharashtra-based company promoted by Mr. Ishwar Samota and Mr. Rajesh Garg. VMPL is engaged in manufacturing of mild-steel billets. The company has a manufacturing unit in Wada (Maharashtra), with installed capacity of ~51,000 tonnes per annum.

For FY2013-14, VMPL reported net loss of Rs.10.91 crore on operating income of Rs.71.45 crore, as compared with profit after tax (PAT) of Rs.0.81 crore on operating income of Rs.128.77 crore in FY2012-13. The company's net worth stood at Rs.1.17 crore as on March 31, 2014, as compared with Rs.17.19 crore a year earlier

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