

Press Release

Venkateshwara Sponge & Iron Co Private Limited (VSICPL)

06 March, 2018



Total Bank Facilities Rated*	Rs.18.00 Crore
Long Term Rating (Indicative)	SMERA B Issuer not co-operating*
Short Term Rating(Indicative)	SMERA A4 Issuer not co-operating*

#Refer Annexure for details

*The issuer did not co-operate; Based on best available information.

SMERA has reviewed the long term rating of '**SMERA B**' (read as SMERA B) and **short term rating of SMERA A4** (read as SMERA A four) on the Rs.18.00 crore bank facilities of Venkateshwara Sponge & Iron Co. Private Company (VSICPL). This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower: SMERA has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and SMERA's policies.

Applicable Criteria

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

Entity in Manufacturing Sector - <https://www.smera.in/criteria-manufacturing.htm>

Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>

Limitation regarding information availability: The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). SMERA endeavoured to gather information about the entity / industry from the public domain. Therefore, SMERA cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Company: Incorporated in 2005, the Jharkhand-based VSICPL was promoted by Mr. Birendra Rai and his son to manufacture sponge iron and trade in coal. The company has an installed capacity of 100 MT per day.

For FY2016, the company achieved net profit after tax (PAT) of Rs.0.06 crore on operating income of Rs.28.76 crore as compared with PAT of Rs.0.05 crore on operating income of Rs.29.25 crore in FY2015.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
31 Jan, 2017	Cash Credit	Long Term	INR 13.00	SMERA B / Stable (Reaffirmed)
	Bank Guarantee	Short Term	INR 5.00	SMERA A4 (Reaffirmed)
3 Sep, 2015	Cash Credit	Long Term	INR 13.00	SMERA B / Stable (Assigned)
	Bank Guarantee	Short Term	INR 5.00	SMERA A4 (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	13.00	SMERA B Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	5.00	SMERA A4 Issuer not co-operating*

*The issuer did not co-operate; based on best available information

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ABOUT SMERA

SMERA Ratings Limited is a joint initiative of SIDBI, D&B and leading public and private sector banks in India. SMERA is registered with SEBI, accredited by RBI as an External Credit Assessment Institution (ECAI), under BASEL-II norms for undertaking Bank Loan Ratings. SMERA Bond Ratings is a division of SMERA Ratings Limited responsible for ratings of bank facilities and capital market/money market debt instruments such as Bonds, Debentures, Commercial Papers, Fixed Deposits, Certificate of Deposits, etc. For more details, please visit www.smera.in.

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