

Press Release

V. Ram Chandra Iron & Steel Private Limited

May 24, 2018

Rating Update



Total Bank Facilities Rated	Rs.11.00 Cr. #
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 plus**) and short term rating of '**SMERA A4**' (read as **SMERA A four**) on the Rs.11.00 crore bank facilities of V. Ram Chandra Iron & Steel Private Limited. 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>
- Service Entities: <https://www.smera.in/criteria-service.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 endeavored 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 Rated Entity

The Agra-based, V. Ram Chandra was incorporated in 1993 by Mr. Rajeev Jain and Mr. Sanjeev Jain. The company provides handling and transportation services to various companies including Rashtriya Ispat Nigam Limited and Jindal Steel & Power Ltd. The rating downgrade takes into account the decline in revenues, deterioration in profitability and coverage indicators. However the rating is supported by experienced management and reputed clientele.

In FY2015-16 the company achieved operating income of Rs.10.49 cr with net loss of Rs.0.73 cr as compared to operating income of Rs.14.42 cr with profit after tax of Rs. 0.10 cr a year earlier. The networth stands at Rs.2.19 cr as on 31 March, 2016 as compared to Rs.2.93 cr a year earlier.

Rating History for the last three years:

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
02-March-2017	Cash Credit	Long Term	INR 1.00	SMERA B+/ Stable (Downgraded)
	Bank Guarantee	Short Term	INR 8.00	SMERA A4 (Downgraded)
	Proposed Bank Facility	Long Term	INR 2.00	SMERA B+/ Stable (Downgraded)
25-November-2015	Cash Credit	Long Term	INR 1.00	SMERA BB-/ Stable (Assigned)
	Bank Guarantee	Short Term	INR 8.00	SMERA A4+ (Assigned)
	Proposed Bank Facility	Long Term	INR 2.00	SMERA BB-/ Stable (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	NA	NA	NA	INR 1.00	SMERA B+ Issuer not cooperating*
Bank Guarantee	NA	NA	NA	INR 8.00	SMERA A4 Issuer not cooperating*
Proposed Bank Facility	NA	NA	NA	INR 2.00	SMERA B+ Issuer not cooperating*

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

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ABOUT SMERA

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