

Press Release

V. Ram Chandra Iron & Steel Private Limited

August 16, 2019

Rating Update



Total Bank Facilities Rated*	Rs. 11.00 Cr.
Long Term Rating	ACUITE B+ Issuer not co-operating*
Short Term Rating	ACUITE A4 Issuer not co-operating*

* Refer Annexure for details

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

Acuite has reviewed the long term rating of '**ACUITE B+**' (read as **ACUITE double B**) and short term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs. 11.00 crore bank facilities of V. RAM CHANDRA IRON & STEEL PRIVATE LIMITED (VRPL). This rating is now an indicative rating and is based on best available information.

Agra-based, VRPL 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 and 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

Non-cooperation by the issuer/borrower:

Acuite 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 Acuite's policies.

Applicable Criteria

- Entities in Service Industries – <https://www.acuite.in/view-rating-criteria-8.htm>
- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.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). Acuite endeavored to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

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

None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
24 May 2018	Cash Credit	Long Term	1.00	ACUITE B+ Issuer not co-operating*
	Bank Guarantee	Short Term	8.00	ACUITE A4 Issuer not co-operating*
	Proposed Bank Facility	Long Term	2.00	ACUITE B+ Issuer not co-operating*
02 March 2017	Cash Credit	Long Term	1.00	ACUITE B+/ Stable (Downgraded)
	Bank Guarantee	Short Term	8.00	ACUITE A4 (Downgraded)
	Proposed Bank Facility	Long Term	2.00	ACUITE B+/ Stable (Downgraded)
25 November 2015	Cash Credit	Long Term	1.00	ACUITE BB-/ Stable (Assigned)
	Bank Guarantee	Short Term	8.00	ACUITE A4+ (Assigned)
	Proposed Bank Facility	Long Term	2.00	ACUITE BB-/ Stable (Assigned)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not applicable	Not applicable	Not applicable	1.00	ACUITE B+ Issuer not co-operating*
Bank Guarantee	Not applicable	Not applicable	Not applicable	8.00	ACUITE A4 Issuer not co-operating*
Proposed Bank Facility	Not applicable	Not applicable	Not applicable	2.00	ACUITE B+ Issuer not co-operating*

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

Contacts

Analytical	Rating Desk
Aditya Gupta Head- Corporate and Infrastructure Sector Tel: 022-49294041 aditya.gupta@acuite.in Stuti Fomra Analyst - Rating Operations Tel: 011-4973 1309 stuti.fomra@acuite.in	Varsha Bist Manager - Rating Desk Tel: 022-49294011 rating.desk@acuite.in

About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*erstwhile ACUITE Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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