

Press Release

Sugna Metals Limited (SML)

01 September, 2017



Notice of Withdrawal

Total Bank Facilities Rated*	Rs.45.00 Cr
Long Term Rating	SMERA B/Stable (Under Notice of Withdrawal)
Short Term Rating	SMERA A4 (Under Notice of Withdrawal)

**Refer Annexure for details*

Rating Rationale

SMERA has placed 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.45.00 crore bank facilities of Sugna Metal Limited (SML) under notice of withdrawal. As per SMERA's 'Policy on Withdrawal of Ratings' the rating will be withdrawn after 90 days from the date of this release. SMERA has received a "No Objection Certificate" from the banker of SML and a request from the client in this regard.

About the Rated Entity

Sugna Metals Limited (SML) was established on October 2006 by Mr. Bharat Kumar Sonthalia, Ms. Saroj Devi Santhalia and Mr. Mudit Santhalia as a private limited company and converted into a limited company in 2013. The company commenced operations from December 2008 to manufacture and trade in TMT Bars, MS Billets and other steel rolled products. The installed capacity stands at 200 MT per day for MS Billets and TMT bars each in Andhra Pradesh.

The company reported Profit after tax (PAT) of Rs 7.77 crore on operating income of Rs 268.36 crore in FY2015-16 as against PAT of Rs 5.35 crore on operating income of Rs 209.58 crore in FY2014-15.

Status of non-cooperation with previous CRA (if applicable): Not Applicable

Any other information: Not Applicable

Rating History for the last three years:

Name of Instrument /Facilities	FY2018				FY2017		FY2016		FY2015	
	Date	Scale	Amount (Rs. Crore)	Rating with Outlook	Date	Rating	Date	Rating	Date	Rating
Cash Credit		LT	27.00	SMERA B/Stable (Reaffirmed)		SMERA B (Assigned)	-	-	-	-
Term Loan		LT	9.00	SMERA B/Stable		SMERA B (Assigned)	-	-	-	-

	20 June 2017			(Reaffirmed)	19 April 2016					
Letter of Credit		LT	9.00	SMERA A4 (Reaffirmed)		SMERA A4 (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	NA	NA	NA	27.00	SMERA B/Stable (Under Notice of Withdrawal)
Term Loan	NA	NA	May 2019	9.00	SMERA B/Stable (Under Notice of Withdrawal)
Letter of Credit*	NA	NA	NA	9.00	SMERA A4 (Under Notice of Withdrawal)

* Includes sublimit of bank guarantee to the extent of 1.00 crore in ILC/FLC.

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ABOUT SMERA

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