



Press Release

Ferromet Steels Private Limited (FSPL)

04 October, 2017

Rating Downgraded (Indicative)

Total Bank Facilities Rated	Rs. 40.44 Cr.
Long Term Rating	SMERA D (Downgraded from SMERA C)

** Refer Annexure for details, based on best available information.*

SMERA has downgraded the long term rating from 'SMERA C' (read as SMERA C) to '**SMERA D**' (read as **SMERA D**) on the Rs. 40.44 crore bank facilities of Ferromet Steels Private Limited (FSPL). The rating reflects delays in servicing of debt by the company. 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.

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 rated entity

Ferromet Steels Private Limited (FSPL), incorporated in 1995, is engaged in the manufacture of mild steel (MS) bars, MS Angle, MS round, MS square. The company was promoted and managed by Directors, Mr. Manmohan Mittal and Mr. Ashok Kumar Goel.

FSPL reported a net loss Rs.17.82 crore on operating income of Rs.35.88 crore in FY2014-15 and net loss of Rs.9.38 crore on operating income of Rs.111.09 crore in FY2013-14.

Applicable Criteria

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

Status of non-cooperation with previous CRA

As per ICRA's rationale dated 18 Jan 2017, ICRA has reaffirmed the ratings of [ICRA] D rating for bank loan facilities of Ferromet Steels Private Limited, (Issuer Not Co-operating). The rating action is based on the continued delays in the company's debt servicing and in the absence of requisite information, ICRA's Rating Committee has taken a rating view based on best available information.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
09-July, 2016	Cash Credit	Long Term	INR 9.00@	SMERA C (Assigned)
	Term Loan I	Long Term	INR 2.50	SMERA C (Assigned)
	Term Loan II	Long Term	INR 1.00	SMERA C (Assigned)
	Working Capital Term Loan	Long Term	INR 23.14	SMERA C (Assigned)
	Funded Interest Term Loan	Long Term	INR 4.80	SMERA C (Assigned)

@Cash credit of Rs.9.00 crore includes ILC/FLC of Rs.3.00 crore and ILG of Rs.2.50

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	9.00@	SMERA D (Downgraded)
Term Loan I	Not Applicable	Not Applicable	Not Applicable	2.50	SMERA D (Downgraded)
Term Loan II	Not Applicable	Not Applicable	Not Applicable	1.00	SMERA D (Downgraded)
Working Capital Term Loan	Not Applicable	Not Applicable	Not Applicable	23.14	SMERA D (Downgraded)
Funded Interest Term Loan	Not Applicable	Not Applicable	Not Applicable	4.80	SMERA D (Downgraded)

@Cash credit of Rs.9.00 crore includes ILC/FLC of Rs.3.00 crore and ILG of Rs.2.50

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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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