

Press Release

Ferromet Steels Private Limited

November 17, 2018

Rating Update



Total Bank Facilities Rated*	Rs. 40.44Cr. #
Long Term Rating	ACUITE D Issuer not co-operating*

#Refer Annexure for details

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

Acuite has reaffirmed the long term rating of '**ACUITE D**' (read as **ACUITE D**) on the Rs. 40.44 crore bank facilities of Ferromet Steels Private Limited (FSPL). This rating is now an indicative rating and is based on best available information.

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.

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

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.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 endeavoured 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:

	Unit	FY16 (Prov)	FY15 (Actual)	FY14 (Actual)
Operating Income	Rs. Cr.	45.14	35.88	111.09
EBITDA	Rs. Cr.	2.35	(12.32)	(3.65)
PAT	Rs. Cr.	0.28	(17.82)	(9.38)
EBITDA Margin	(%)	5.21	(34.34)	(3.29)
PAT Margin	(%)	0.62	(49.66)	(8.45)
ROCE	(%)	5.47	(41.10)	(10.46)
Total Debt/Tangible Net Worth	Times	-7.67	-7.19	3.21
PBDIT/Interest	Times	1.74	-2.60	-0.75
Total Debt/PBDIT	Times	16.69	-2.39	-8.39
Gross Current Assets (Days)	Days	236	195	141

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

None

Any other information

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

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
4-Oct-2017	Cash Credit	Long term	9.00	ACUITE C (indicative)
	Term loan I	Long term	2.50	ACUITE C (indicative))
	Term Loan II	Long term	1.00	ACUITE C (indicative)
	Working Capital Term Loan	Long term	23.14	ACUITE C (indicative)
	Term Loan	Long term	4.80	ACUITE C (indicative)
09-July, 2016	Cash Credit	Long term	9.00 [@]	ACUITE C (Assigned)
	Term loan I	Long term	2.50	ACUITE C (Assigned)
	Term Loan II	Long term	1.00	ACUITE C (Assigned)
	Working Capital Term Loan	Long term	23.14	ACUITE C (Assigned)
	Term Loan	Long term	4.80	ACUITE 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. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	9.00	ACUITE C Issuer not co-operating*
Term loan I	Not Applicable	Not Applicable	Not Applicable	2.50	ACUITE C Issuer not co-operating
Term Loan II	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE C Issuer not co-operating
Working Capital Term Loan	Not Applicable	Not Applicable	Not Applicable	23.14	ACUITE C Issuer not co-operating

Funded Interest Term Loan	Not Applicable	Not Applicable	Not Applicable	4.80	ACUITE C Issuer not co-operating
------------------------------	-------------------	-------------------	-------------------	------	-------------------------------------

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

Contacts

Analytical	Rating Desk
<p>Aditya Gupta Head–Corporate and Infrastructure Sector Ratings Tel: 022-49294041 aditya.gupta@acuite.in</p> <p>Disha Parmar Analyst - Rating Operations Tel: 022-49294064 Disha.parmar@acuite.in</p>	<p>Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in</p>

About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile SMERA 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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.