

Press Release

Shree Samtai Nath Enterprises Private Limited

June 29, 2018



Rating Update

| | |
|-------------------------------------|--|
| Total Bank Facilities Rated* | Rs. 6.00 Cr. |
| Long Term Rating | ACUITE BB 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.

Acuité has reviewed long-term rating of '**ACUITE BB**' (**read as ACUITE double B**) and short term rating of '**ACUITE A4+**' (**read as ACUITE A four plus**) on the Rs.6.00 crore bank facilities of Shree Samtai Nath Enterprises Private Limited.

Non-cooperation by the issuer/borrower: Acuité 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/criteria-default.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-6.htm>
- Consolidation Of Companies - <https://www.acuite.in/view-rating-criteria-22.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). Acuité 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.

Analytical Approach

ACUITE has considered a consolidated view on the financials of Shree Samtai Nath Enterprises Private Limited and Rourkela Steel Corporation while arriving at the rating. This is because all the two entities are in the same line of business, common management and significant operational linkages. The group is herein referred to as Shree Samtai Nath Group.

About the Rated Entity:

Shree Samtai Nath Enterprises Private Limited (SSEPL) was established in the year 1997 and trades in iron and steel products and also fabricates them. The company is part of Shree Samtai Nath group, with other major company being Rourkela Steel Corporation (RSC).

RSC was established in the year 1974, it trades in iron and steel products. The group's operations are managed by Mr Kedar Kheria and his son Mr Mayur Kheria.

The group reported Profit After Tax (PAT) of Rs 1.09 crore as against operating income of Rs 158.70 crore in FY2015-16, While it reported PAT of Rs 1.21 crore as against operating income of Rs 173.08 crore in FY2014-15. The company on standalone basis reported Profit After Tax (PAT) of Rs 0.42 crore as against operating income of Rs 60.75 crore in FY2015-16, While it reported PAT of Rs 0.71 crore as against operating income of Rs 72.56 crore in FY2014-15. Till middle March 2017 (Provisional) they have registered revenue of Rs 61 crore.

Rating History (Upto last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr.) | Ratings/Outlook |
|--------------|---------------------------------|-----------|------------------|-----------------------------|
| 22 May, 2017 | Cash Credit | Long Term | 3.75 | ACUITE BB/Stable (Assigned) |
| | Bill Discounting | Long Term | 1.00 | ACUITE A4+ (Assigned) |
| | Bank Guarantee | Long Term | 1.25 | ACUITE A4+ (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 | 3.75 | ACUITE BB Issuer not co-operating* |
| Bill Discounting | NA | NA | NA | 1.00 | ACUITE A4+ Issuer not co-operating* |
| Bank Guarantee | NA | NA | NA | 1.25 | ACUITE A4+ Issuer not co-operating* |

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

Contacts

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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.

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