

## Press Release

### SANVIJAY ROLLING AND ENGINEERING LIMITED

June 28, 2019

#### Rating Withdrawn



<b>Total Bank Facilities Rated*</b>	Rs. 370.00 Cr.
<b>Long Term Rating</b>	ACUITE BBB+ (Withdrawn)
<b>Short Term Rating</b>	ACUITE A2 (Withdrawn)

\* Refer Annexure for details

#### Rating Rationale

Acuite has withdrawn the long-term rating of '**ACUITE BBB+**' (read as **ACUITE triple B plus**) and short term rating of '**ACUITE A2**' (read as **ACUITE A two**) on the Rs. 370.00 crore bank facilities of SANVIJAY ROLLING AND ENGINEERING LIMITED (SREL). The rating withdrawal is in accordance with Acuite's policy on withdrawal of rating.

Sanvijay Rolling and Engineering Limited (SREL) was incorporated by the late Mr. Puranmal Agrawal in 1971 for trading of steel products. The company is based out of Nagpur, Maharashtra. In 1987, SREL started manufacturing of steel and established its first rolling mill in the year 1991. SREL manufactures and sells structural steel angles, channels, broad flange beams, beams/joists flats, squares, rounds, billets and stainless steel. They are also into trading of various steel products. The company has six manufacturing facilities located in Butibori and Hingna (Nagpur). SREL has an installed capacity of 4.8 lakh metric tonnes per annum.

#### Analytical Approach

Acuite has considered standalone business and financial risk profile of SREL to arrive at the rating.

#### About the Rated Entity - Key Financials

	Unit	FY19 (Provisional)	FY18 (Actual)	FY17 (Actual)
Operating Income	Rs. Cr.	991.72	875.91	772.47
EBITDA	Rs. Cr.	63.87	42.32	62.03
PAT	Rs. Cr.	13.69	14.31	14.53
EBITDA Margin	(%)	6.44	4.83	8.03
PAT Margin	(%)	1.38	1.63	1.88
ROCE	(%)	7.65	7.64	6.18
Total Debt/Tangible Net Worth	Times	0.75	0.84	0.93
PBDIT/Interest	Times	1.71	2.23	2.01
Total Debt/PBDIT	Times	4.07	4.34	6.06
Gross Current Assets (Days)	Days	243	278	373

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

None

#### Any other information

None

#### Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

**Note on complexity levels of the rated instrument**
<https://www.acuite.in/criteria-complexity-levels.htm>
**Rating History (Upto last three years)**

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
03-Apr-2018	Cash Credit*	Long Term	90.00	ACUITE BBB+/Stable (Assigned)
	Cash Credit**	Long Term	50.00	ACUITE BBB+/Stable (Assigned)
	Cash Credit***	Long Term	45.00	ACUITE BBB+/Stable (Assigned)
	Cash Credit****	Long Term	45.00	ACUITE BBB+/Stable (Assigned)
	Cash Credit*****	Long Term	30.00	ACUITE BBB+/Stable (Assigned)
	Cash Credit*****	Long Term	60.00	ACUITE BBB+/Stable (Assigned)
	Cash Credit*****	Long Term	30.00	ACUITE BBB+/Stable (Assigned)
	Bank Guarantee	Short Term	10.00	ACUITE A2 (Assigned)
	Bank Guarantee	Short Term	5.00	ACUITE A2 (Assigned)
	Bank Guarantee	Short Term	5.00	ACUITE A2 (Assigned)

\*Includes Working capital demand loan of Rs 80.00 crore

\*\* Includes Working capital demand loan of Rs 40.00 crore and Letter of credit of Rs 20.00 crore

\*\*\* Includes Working capital demand loan of Rs 33.75 crore

\*\*\*\* Includes Working capital demand loan of Rs 38.40 crore and Letter of credit of Rs 3.00 crore

\*\*\*\*\* Includes Working capital demand loan of Rs 15.00 crore

\*\*\*\*\* Includes Working capital demand loan of Rs 60.00 crore

\*\*\*\*\* Includes Working capital demand loan of Rs 30.00 crore

**\*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	90.00	ACUITE BBB+ (Withdrawn)
Cash Credit**	Not Applicable	Not Applicable	Not Applicable	50.00	ACUITE BBB+ (Withdrawn)
Cash Credit***	Not Applicable	Not Applicable	Not Applicable	45.00	ACUITE BBB+ (Withdrawn)
Cash Credit****	Not Applicable	Not Applicable	Not Applicable	45.00	ACUITE BBB+ (Withdrawn)
Cash Credit*****	Not Applicable	Not Applicable	Not Applicable	30.00	ACUITE BBB+

					(Withdrawn)
Cash Credit*****	Not Applicable	Not Applicable	Not Applicable	60.00	ACUITE BBB+ (Withdrawn)
Cash Credit*****	Not Applicable	Not Applicable	Not Applicable	30.00	ACUITE BBB+ (Withdrawn)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE A2 (Withdrawn)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE A2 (Withdrawn)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE A2 (Withdrawn)

\*Includes Working capital demand loan of Rs 80.00 crore

\*\* Includes Working capital demand loan of Rs 40.00 crore and Letter of credit of Rs 20.00 crore

\*\*\* Includes Working capital demand loan of Rs 33.75 crore

\*\*\*\* Includes Working capital demand loan of Rs 38.40 crore and Letter of credit of Rs 3.00 crore

\*\*\*\*\* Includes Working capital demand loan of Rs 15.00 crore

\*\*\*\*\* Includes Working capital demand loan of Rs 60.00 crore

\*\*\*\*\* Includes Working capital demand loan of Rs 30.00 crore

## Contacts

Analytical	Rating Desk
Aditya Gupta Head - Corporate and Infrastructure Sector Ratings Tel: 022-49294041 <a href="mailto:aditya.gupta@acuute.in">aditya.gupta@acuute.in</a>  Manmitha Sodhi Analyst - Rating Operations Tel: 022-49294031 <a href="mailto:manmitha.sodhi@acuiteratings.in">manmitha.sodhi@acuiteratings.in</a>	Varsha Bist Manager - Rating Desk Tel: 022-67141160 <a href="mailto:rating.desk@acuute.in">rating.desk@acuute.in</a>

## About Acuite Ratings & Research:

Acuite 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 Acuite 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. Acuite 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, Acuite, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuite 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. Acuite 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](http://www.acuite.in)) for the latest information on any instrument rated by Acuite.