



Press Release

Sri Raghvendra Ferro Alloys Private Limited

July 08, 2024

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	26.00	ACUITE BB- Downgraded Issuer not co-operating*	-
Bank Loan Ratings	19.00	-	ACUITE A4 Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	45.00	-	-

Rating Rationale

Acuité has downgraded its long-term rating to '**ACUITE BB-**' (read as **ACUITE double B minus**) from '**ACUITE BB**' (read as **ACUITE double B**) and the short-term rating to '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.45.00 crore bank facilities of Sri Raghavendra Ferro Alloys Private Limited (SRFAPL).

This rating is now flagged as "Issuer Not-Cooperating" and is based on best available information.

The rating has been downgraded on account of information risk.

About the Company

Sri Raghavendra Ferro Alloys Private Limited (SRFAPL) was initially incorporated in the year 2004 by Mr. K Srinivasa Reddy. The company is primarily involved in the business of manufacturing Ferro Alloys and in particular Silico Manganese and Ferro Silicon. The company's registered office is located at Nalgonda, Telangana and has 4 manufacturing plants with a combined annual capacity of around 40,000 tonnes per annum.

Unsupported Rating

Not Applicable

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 the due date. Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité'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). Acuité has endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon

Outlook: Not Applicable

Other Factors affecting Rating None

Key Financials

Particulars	Unit	FY 24 (Provisional)	FY 23 (Actual)
Operating Income	Rs. Cr.	79.18	184.51
PAT	Rs. Cr.	0.59	1.94
PAT Margin	(%)	0.74	1.05
Total Debt/Tangible Net Worth	Times	0.50	0.50
PBDIT/Interest	Times	2.99	2.35

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
10 Apr 2023	Letter of Credit	Short Term	15.00	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	21.00	ACUITE BB Stable (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	4.00	ACUITE A4+ (Reaffirmed)
	Term Loan	Long Term	5.00	ACUITE BB Stable (Reaffirmed)
12 Dec 2022	Cash Credit	Long Term	22.00	ACUITE BB (Reaffirmed & Issuer not co-operating*)
	Letter of Credit	Short Term	15.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Bank Guarantee/Letter of Guarantee	Short Term	8.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
16 Sep 2021	Bank Guarantee/Letter of Guarantee	Short Term	8.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	22.00	ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+ Stable)
	Letter of Credit	Short Term	15.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Union Bank of India	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	4.00	ACUITE A4 Downgraded Issuer not co-operating* (from ACUITE A4+)
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	21.00	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)
Union Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	15.00	ACUITE A4 Downgraded Issuer not co-operating* (from ACUITE A4+)
Union Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2029	Simple	5.00	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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