

August 23, 2013

Facilities	Amount (Rs. Crore)	Rating
Cash Credit	5.00	SMERA D (Assigned)
Term Loans	12.00	SMERA D (Assigned)
Letter of Credit	29.00	SMERA D (Assigned)

SMERA has assigned a rating of '**SMERA D**' to the Rs.46.00 crore bank facilities of JR Metal Chennai Limited (JRMCL). The rating reflects the company's delays in servicing debt obligations. The rating also reflects the company's stretched liquidity position, short track record of operations, low profitability and below-average debt protection metrics. The aforementioned weaknesses are partially offset by the company's experienced management.

About the company

JRMCL, incorporated in 2008, is a Chennai-based company promoted by Mr. R. Narayan Singh. JRMCL commenced commercial operations in April 2011. The company is engaged in manufacturing of thermo-mechanically-treated (TMT) bars. JRMCL has a manufacturing unit in Thiruvallur, Tamil Nadu, with a capacity of 600 tonnes per day (tpd). The company also has backward integration into manufacturing of mild steel (MS) billets with a furnace capacity of 450 tpd. JRMCL markets TMT bars under the brand name 'JR TMT'.

For FY2012-13 (refers to financial year, April 01 to March 31), JRMCL reported PAT of Rs.1.36 crore on net sales of Rs.314.85 crore, as compared with PAT of Rs.1.26 crore on net sales of Rs.247.87 crore for FY2011-12. JRMCL's net worth stood at Rs.47.24 crore as on March 31, 2013, as compared with Rs.40.68 crore a year earlier.

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