



SMERA RATINGS LIMITED

Sri Sai Sindhu Industries Limited (SSSIL)**Rating
Rationale****July 08, 2014**

Facilities	Amount (Rs. Crore)	Rating
Term Loan	36.07	SMERA D (Assigned)
Cash Credit	17.53	SMERA D (Assigned)

SMERA has assigned a rating of '**SMERA D**' (read as **SMERA D**) to the above-mentioned bank facilities of Sri Sai Sindhu Industries Limited (SSSIL). The rating primarily reflects delays in debt servicing and continuous overdrawings in the cash credit account by the company. The rating also factors the decline in revenue and operating losses incurred by the company in FY2012-13 (refers to financial year, April 01 to March 31).

About the Company

Sri Sai Sindhu Industries Limited (SSSIL) (formerly known as M/s Sai Sindhu Sponge Iron Private Limited), incorporated in 2003, is a Hyderabad-based company promoted by Mr. R. Veera Reddy. The company is engaged in manufacturing of sponge iron with a total production capacity of 175 TPD. The company is also engaged in power generation with a 4 MW power plant producing electricity from waste heat of exit gases.

For FY2012-13, the company reported net loss of Rs. 13.70 crore on net sales of Rs. 22.02 crore as against net loss of Rs. 3.51 crore on net sales of Rs. 58.44 crore in FY2011-12. The company had a networth of Rs. 11.30 Crore as on March 31, 2013 as compared with Rs. 22.00 crore a year earlier.

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