



Rating Rationale

Abhirama Steels Ltd

5 July 2019

Brickwork Ratings revises the rating for the bank loan facilities of Rs. 18.80 crore of Abhirama Steels Ltd.

Particulars

Facilities	Amount (Rs. Crs)		Tenure	Rating ¹	
	Previous	Present		Previous(Sep. 2014)#	Present
Fund Based					
Cash Credit	15.00	15.00	Long	BWR BB+ <i>(Pronounced as BWR Double B Plus)</i> Outlook: Stable	BWR D <i>(Pronounced as BWR D)</i> Downgraded
Term Loans	3.80	3.80	Term		
Total	18.80	Rs. 18.80 Crore (Rupees. Eighteen Crores and Eighty Lakhs Only)			

Note: Bank wise details of facilities are provided in Annexure I

The ratings was migrated to 'Rating Not Reviewed' category in December 2015

¹ Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rating downgraded

Rationale/Description of Key Rating Drivers/Rating sensitivities:

The downgrade has basically factored the liquidity stress of the company as per the reports available in the public domain.

About the Company (Information as on September 2014)

Abhirama Steels Private Limited was incorporated as a private limited in the year 2008, located at Hyderabad, Telangana. Mr. Abhishek Palaparthi and Mr. Palaparthi Venkata Ramana Murthy are the directors of the Company. In 2013 the Company reconstituted itself as limited company as Abhirama Steels Ltd. The company is into manufacturing of thermo-mechanically-treated (TMT) steel bars for construction industry (Residential, Infrastructure, Project etc.), it is a single product line of business activity with the various sizes from 8MM to 32 MM and raw materials are Billets and Ingots. It has registered brand of "Abhirama TMT", through distribution channel in Telangana and Karnataka states with turnover of 60 per cent and 40 per cent respectively. The company is working with the capacity of installation is around 54000MT with maximum utilization capacity of ~ 50 per cent in FY14.



Rating History for the last three years

Sl. No.	Facilities	Current Rating (2019)			Rating History		
		Type	Amount (Rs. Cr)	Rating	2018	2017	2016 30.09.2016
1 2	Cash Credit Term Loans	Long Term	15.00 3.80	BWR D Pronounced As BWR D Downgraded	NA	NA	Not Reviewed
Total		Rs. 18.80 Crore (Rupees. Eighteen Crores Eighty Lakhs Only)					

Note: An initial rating of BWR BB+ (Outlook: Stable) for the Bank Loan Facilities of Rs.18.80 Crs was assigned on 3rd September 2014.

Status of non-cooperation with other CRA: India Ratings & Research has migrated its rating of IND D for the bank loan facilities of the company to the issuer not cooperating category on 23rd August 2018 for the bank loan facilities of Rs.22.20 Crs, in view of insufficient information to conduct a review of the rating.

Key Financial Indicators

Key Parameters	Units	2014	2013
		Audited	Audited
Operating Revenue	₹ Cr	171.86	169.62
EBITDA	₹ Cr	5.67	5.00
PAT	₹ Cr	1.36	0.80
Tangible Net worth	₹ Cr	18.48	18.25
Total Debt/Tangible Net worth	Times	1.13	1.06
Current Ratio	Times	1.34	1.36

Any other information: Not Applicable

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)
- [What Constitutes Non-Cooperation](#)



For any other criteria obtain hyperlinks from website

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Annexure I

Abhirama Steels Ltd

Hyderabad, Telangana

Bank	Facilities	Tenure	Amount (Rs. Cr)
Indian Bank Bank Street Branch, Sultan Bazar, Hyderabad, Telangana	Fund Based:		15.00
	Cash Credit	Long	3.35
	Term Loan I	Term	0.45
	Term Loan II		
Total			18.80**

** As per information furnished to BWR in Sept 2014



For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner.

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