

Rating Rationale

Brickwork Ratings assigns ‘BWR D’ rating for long-term bank loan facilities & ‘BWR D’ rating for short-term bank loan facilities of Ambey Vaishno Steels Private Limited.

Brickwork Ratings assigns ‘BWR D’ **Ratings**¹ for long-term bank loan facilities and BWR D rating for short-term bank loan facilities of Ambey Vaishno Steels Private Limited (*AVSPL or “the Company”*).

Facility	Limits (₹ Cr)	Tenure	Rating
Fund Based: Cash Credit Term Loans (Outstanding)	19.00 2.21	Long Term	BWR D (Pronounced BWR D)
Fund Based: Bank Guarantee	1.50	Short Term	BWR D (Pronounced BWR D)
Total	22.71	(INR Twenty Two Crores and Seventy One Lakhs only)	

BWR has relied upon AVSPL’s audited financial results of up to FY14, estimated financials of FY15, and the information/clarifications provided by the Company.

The ratings primarily factor the continuous overdrawings in AVSPL’s CC account for more than 30 days and irregularities in servicing term loan obligations. The ratings, although, takes comfort from promoters’ experience in steel industry; they are constraint by AVSPL’s thin profit margins, weak coverage indicators, and presence in weak steel industry.

Company Background and Operations

Ambey Vaishno Steels Private Limited (AVSPL), part of the Pune based Jindal SVI Group, was incorporated in June 2009. The Company is engaged in the manufacturing of Mild Steel Billets and has a capacity to manufacture 78000 MTPA Billets.

Management Profile

Mr. Ashok Kumar Jindal is the promoter of Jindal SVI group. Mr. Ashok Jindal, aged about 50 years, has more than twenty five years of experience in steel trading and manufacturing.

Mr. Rohit Jindal (son of Mr. Ashok Jindal), is also actively involved in working of the company. He is also acquainted with the steel re-rolling industry and billets / ingots industry by way of dealing in the end- products and getting the same manufactured at different re-rolling mills.

¹ Please refer to www.brickworkratings.com for definition of the Ratings

Financial Performance

During the FY14, SCL's operating income increased to ₹305.74 Cr as against ₹128.19 Cr FY13. PAT, however, decreased to ₹0.50 Cr in FY14 as compared to ₹0.76 Cr in FY13. PAT margins are also thin at 0.16 per cent in FY14 and 0.59 per cent in FY13.

Analyst Contact	Relationship Contact
analyst@brickworkratings.com	bd@brickworkratings.com
Phone	Media Contact
1-860-425-2742	media@brickworkratings.com

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