

RATING RATIONALE

S A Iron Alloys Private Limited

Brickwork Ratings downgrades the ratings for the Bank Loan Facilities of ₹. 47.58 Crores of S A Iron Alloys Private Limited

Particulars:

| Facility** | Amount (₹ Cr) | | Tenure | Rating* | |
|----------------|---------------|--------------|--|-----------------------|---------------------|
| | Previous | Present | | Previous (Dec 2019) | Present |
| Fund based | 44.58 | 44.58 | Long Term | BWR BB- (Stable) | BWR D (Downgraded) |
| Non Fund Based | 3.00 | 3.00 | Short Term | BWR A4. | |
| Total | 47.58 | 47.58 | INR Forty Seven Crores and Fifty Eight Lakhs Only | | |

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

** Details of Bank facilities provided in Annexure-I&II

RATING ACTION / OUTLOOK

BWR has downgraded the rating to BWR D on account of delays in debt servicing . Both the banks OBC bank and Allahabad Bank have confirmed over telephonic calls dated 05 March 2020 that there are delays in servicing of the debt . In view of this rating is downgraded to BWR D .

COMPANY PROFILE (As Available in Dec 2019)

S.A. Iron and Alloys Private Limited (SAIPL) was incorporated in 2003. SAIPL is engaged in the processing of sponge iron with an installed capacity of 90,000 tonnes per annum (TPA) at village Jeevantpur, Ramnagar Industrial Area, Uttar Pradesh). SAI has set up an induction furnace with a capacity of 28,800 TPA and an 8 MW power generation



plant. The project was started in June 2015 and commercial operation was completed in Dec 2018 as per the stipulated timelines .

Mr. Arun Jain and Mr. Atma Ram Tulsyan,, are its current promoters directors both having extensive experience of almost three decades . SAIPL is promoted by Mr. Arun Kumar Jain, who has also promoted RLJ Concast Private Limited (RLJ), a 60,000 TPA sponge iron unit in Baragaon, (Uttar Pradesh).

Key Financial Indicators (As Available in Dec 2019)

| Key Parameters | Units | 2018 Audited | 2019 Audited |
|-------------------------------|-------|--------------|---------------|
| Result Type | | | |
| Total Operating Revenue | ₹ Cr | 78.09 | 132.48 |
| OPBDIT | ₹ Cr | 5.73 | 11.75 |
| PAT | ₹ Cr | 0.73 | 1.69 |
| Tangible Net worth | ₹ Cr | 37.99 | 39.69 |
| Total Debt/Tangible Net worth | Times | 1.34 | 1.36 |
| Current Ratio | Times | 1.37 | 1.17 |

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY - ICRA has moved the rating to Issuer Non Cooperation as on 18 Dec 2019 and CARE has moved the rating to ISSUER NON COOPERATION on 24 July 2019 .

Rating History

| S.No | Instrument /Facility | Current Rating (2020) | | | Rating History | | |
|-------|----------------------|------------------------------|----------------|--|---|----------------------|------|
| | | Type (Long Term/ Short Term) | Amount (₹ Crs) | Rating | Dec 2019 | 24 May 2018 | 2017 |
| 1 | Cash Credit | Long Term | 19.00 | BWR D (Downgrade) | Rating Not Reviewed (26 aug 2019) | BWR BB+ (Stable) | N.A |
| 2 | Term Loan | Long Term | 25.58 | | BWR BB- (Stable) (Downgrade) (09 Dec 2019) | | N.A |
| 3 | Bank Guarantee | Short Term | 3.00 | | Rating Not Reviewed (26 aug 2019) BWR A4 (Downgrade) (09 Dec 2019) | BWR A4+ | N.A |
| Total | | | 47.58 | INR Forty Seven Crores and Fifty Eight Lakhs Only | | | |

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Sector](#)
- [Short Term Debt](#)

- [Default Recognition and Curing period](#)

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S A Iron Alloys Private Limited

ANNEXURE I

Details of Bank Facilities rated by BWR

| Sl. No. | Name of the Bank | Type of Facilities | Long Term {(₹ Cr)} | Short Term (₹ Cr) | Total (₹ Cr) |
|--------------|------------------|--------------------|-----------------------|----------------------|-----------------|
| 1 | OBC Bank | Cash Credit | 19.00 | | 19.00 |
| | | Term Loans | 16.66 | | 16.66 |
| | | Bank Guarantee | | 3.00 | 3.00 |
| 2 | Allahabad Bank | Term Loans | 8.92 | | 8.92 |
| TOTAL | | | | | 47.58 |

INR Forty Seven Crores and Fifty Eight Lakhs Only

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