

## Rating Rationale

### Satyam Industries

11 Aug, 2017

**Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs.17.18Crs of Satyam Industries ('SI' or the 'Firm').**

#### Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
<b>Fund Based Term Loan Cash Credit</b>	3.48 13.70	Long Term	<b>BWR D (Pronounced As BWR D)</b>
<b>Non-Fund Based BG/LC**</b>	( 2.00 )	Short Term	
<b>Total</b>	<b>Rs 17.18Crores (Rupee Seventeen Crore Eighteen Lakhs Only)</b>		

\*Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

\*\* Bank Guarantee and letter of Credit are interchangeable with each other.

\*\* BG/LC is the sublimit of Cash Credit

**Rating assigned:** BWR has assigned its long-term rating of BWR D (Pronounced BWR D) to Rs. 17.18 Crs of fund based limit of Satyam Industries.

#### Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial results up to FY16, projected financials up-to FY18, publicly available information and information/clarification provided by the Firm's management.

The Rating reflects the Firm's difficulties to serve its debt obligations, thereby rendering the due interest/instalments unpaid and thus becoming overdue. The financial risk profile of the Firm remains weak, reflected by poor stressed liquidity position, and declined margins, relatively small scale of operations, high gearing level and continuous decline in sales. Regular instances of over drawings were also reported by the bankers.

## About the Company

Satyam Group is well diversified in the area of Iron & Steel, Ferro Alloy, Mining Mineral, Cement, Hydro Power, Thermal Power, LAM Coke, Hospitality, and Real Estate. Satyam Industries was set up in year 2006 as a partnership firm however the commercial operation was started in year 2009. The registered office based out of Guwahati Assam. The Firm is engaged in manufacturing of Ingot and TMT Bars with annual capacity of 25, 635 MTPA and utilization level of 40% in FY 16. It has an automatic industrial unit equipped with upgraded technology designed to manufacture high strength TMT (Thermo mechanically treated) bars located in Arunachal Pradesh. The Firm also has furnace unit with the Installed capacity of 54600 MTPA. Mr. Ratan Sharma, Mr. Suresh Sharma, Mr. Kamal Sharma, Mr. Harsh Sharma are the promoters /partners of the firm who possesses decades of experience in the Iron and Steel Industry.

## Company Financial Performance

The Firm has reported gross sales of Rs. 37.76 Crs in FY 16 with the PAT of Rs 0.08. The current Net worth of the Company for FY 16 is Rs. 12.18 Crs. As informed by the management the Firm has reported revenue of Rs.3.07 Crs in FY 17.

## Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	2016	2015	2014
1	Term Loan	Long Term	3.48	BWR D	--	--	--
2.	Cash Credit	Long Term	13.70	BWR D	--	--	--
3.	Bank Guarantee	Short Term	(2.00)	BWR D	--	--	--

Status of non-cooperation with previous CRA (if applicable): NA

## Hyperlink/Reference to Applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)



- Manufacturing Entities

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**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](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

**About Brickwork Ratings**

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been 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 Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

**DISCLAIMER** Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.