



## Press Release

### Deccan Ferro Alloys Private Limited (DFAPL)

December 28, 2020

#### Ratings

Instrument Facility /	Amount (Rs. Crore)	Ratings	Rating Action
Long Term Bank Facility - CC	15.00	IVR BB+; ISSUER NOT COOPERATING (IVR Double B Plus; ISSUER NOT COOPERATING)	Revised from IVR BBB/Stable Outlook (IVR Triple B with Stable Outlook) and Moved to Issuer Not Cooperating
Short Term Bank Facility – Letter of Credit	28.00	IVR A4+; ISSUER NOT COOPERATING (IVR A Four Plus; ISSUER NOT COOPERATING)	Revised from IVR A3+ (IVR A three plus) and Moved to Issuer Not Cooperating
Short Term Bank Facility – Bank Guarantee	2.00	IVR A4+; ISSUER NOT COOPERATING (IVR A Four Plus; ISSUER NOT COOPERATING)	Revised from IVR A3+ (IVR A three plus) and Moved to Issuer Not Cooperating
<b>Total</b>	<b>45.00 (Rs. Forty-Five Crore Only)</b>		

*\*Issuer did not cooperate; based on best available information*

#### Details of Facility are in Annexure 1

#### Detailed Rationale

The rating revision is because of lack of adequate information regarding Deccan Ferro Alloys Private Limited (DFAPL)'s performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

#### Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide E-mail communications dated November 3rd, 2020, December 10th, 2020 and December 18th, 2020 and concurrently over several



## Press Release

phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted surveillance fees and all the essential details required for detailed review of the assigned ratings.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long-term ratings for the bank loan facilities aggregating to INR 45.00 Crore of Deccan Ferro Alloy Pvt Ltd shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the revised rating be noted as 'IVR BB+: Issuer Not Co-operating; based on best available information (IVR Double B Plus: Issuer Not Co-operating); based on best available information and IVR A4+ (Issuer Not Co-operating); based on best available information.

### **Analytical Approach & Applicable Criteria:**

Standalone

Guidelines on what constitutes Non-Cooperation by clients

Rating Methodology for Manufacturing companies

Financial Ratios & Interpretation (Non-Financial Sector)

### **About the Company**

Incorporated in the year 2000, Deccan Ferro Alloys Private Limited (DFAPL), is engaged in the manufacturing of ferromanganese and silico manganese by Mr. Siva Rama Raju Pericherla and his family, who has an experience of 30 years in the alloys industry. The company has a manufacturing plant at Chintalapalem, Visakhapatnam (Andhra Pradesh) with three operational furnaces of 21.50 Mega Volt Amp installed capacity. Further, the company has an installed capacity of 36,000 Metric Tonnes Per annum of manufacturing silico Manganese/ferromanganese, which finds application in the steel industry.

### **Financials (Standalone)**

(Rs. Crore)

For the year ended* / As On	31-03-2018	31-03-2019
	<b>Audited</b>	<b>Audited</b>
Total Operating Income	153.44	221.26



## Press Release

EBITDA	10.24	12.37
PAT	4.73	5.07
Total Debt	20.19	25.47
Tangible Net worth	32.71	37.77
EBITDA Margin (%)	6.67	5.59
PAT Margin (%)	3.06	2.28
Overall Gearing Ratio (x)	0.62	0.67

\* As per Infomerics Standard

**Status of non-cooperation with previous CRA:** CRISIL has moved the rating to issuer not cooperating category vide its press release dated November 06, 2020 due to non-submission of information by the company.

**Any other information:** Nil

**Rating History for last three years:**

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2020-21)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18
1.	Cash Credit	Long Term	15.00	IVR BB+; ISSUER NOT COOPERATING	IVR BBB /Stable Outlook (December 11, 2019)	-	-
2.	Letter of Credit	Short Term	28.00	IVR A4+; ISSUER NOT COOPERATING*	IVR A3+ (December 11, 2019)	-	-
3.	Bank Guarantee	Short Term	2.00	IVR A4+; ISSUER NOT COOPERATING*	IVR A3+ (December 11, 2019))	-	-

\* Issuer did not cooperate; based on best available information

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).



## Press Release

### Name and Contact Details of the Rating Analyst:

Name: Mr. Ayush Rathi

Tel: (033) 46022266

Email: [ayush.rathi@infomerics.com](mailto:ayush.rathi@infomerics.com)

### About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Firm's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

### Annexure 1: Details of Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facility - CC	-	-	-	15.00	IVR BB+; ISSUER NOT COOPERATING*



## Press Release

Short Term Bank Facility – Letter of Credit	-	-	-	28.00	IVR A4+; ISSUER NOT COOPERATING*
Short Term Bank Facility – Bank Guarantee	-	-	-	2.00	IVR A4+; ISSUER NOT COOPERATING*

*\* Issuer did not cooperate; based on best available information*

