



Rohit Ferro Tech Limited

Instruments	Amount Rated (Rs. crore)	Rating action
Term loans	901.63	[ICRA]B+ assigned
Working capital term loans	506.16	[ICRA]B+ assigned
Fund based limits	751.37	[ICRA]B+ assigned
Non-fund based limits	352.63	[ICRA]A4 assigned

ICRA has assigned an [ICRA]B+ (pronounced ICRA B plus) rating to Rs. 901.63 crore^{*} term loans, Rs. 506.16 crore working capital term loans and Rs. 751.37 crore fund based limits of Rohit Ferro Tech Limited (RFTL)[†]. ICRA has also assigned an [ICRA]A4 (pronounced ICRA A four) rating to the Rs. 352.63 crore non-fund based limits of RFTL.

The ratings reflect the fact that RFTL is currently under the purview of a corporate debt restructuring (CDR) programme and its payments to banks have only recently been regularized. The ratings also take into account the adverse financial metrics of the company as reflected by its loss making nature of operations, highly aggressive capital structure and its stretched liquidity position. Additionally, RFTL's non-integrated nature of operations, which exposes its margins and cashflows to variability in the ferro alloy and raw material prices, also adversely affects the ratings. The ratings, however, also take note of the experience of the promoters of the company in the steel and ferro alloys businesses, and the expected improvement in RFTL's cost structure which is likely to result from the investments made by the company in captive power and sintering plants. ICRA notes that although the favourable repayments in the near term, as per the CDR package, is likely to support the liquidity position of the company during this period, sizeable debt is required to be serviced over the medium term.

Company Profile

RFTL is promoted by the SKP group based out of Kolkata, West Bengal. It commenced its Ferro-alloy manufacturing facility at Bishnupur Industrial complex of WBIDC in 2003, initially with two number 7.5 MVA furnaces. Over the years, the company has established additional capacities of three numbers of 9 MVA furnaces in the same complex. In FY 2008, RFTL expanded its operations into Odisha by setting up four 16.5 MVA furnaces in Jajpur. Additionally, it commissioned six 9 MVA furnaces in Haldia in West Bengal, which is a 100% EOU for exporting Ferro Alloys from the country. The total manufacturing facility of the company as on date is of 162 MVA.

Recent results

RFTL registered a loss of Rs. 228.6 crore on an operating income of Rs. 2486. crore in FY2014. During FY2013, the company had registered a PAT of Rs. 28.9 crore on an operating income of Rs. 2260.3 crore. During April-September 2014, RFTL registered net loss of Rs 216.62 crore on an operating income of Rs 958.01 crore.

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* 100 lakh = 1 crore = 10 million

† For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications



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