



## Press Release

### Sanvijay Alloys and Power Limited

September 29<sup>th</sup>, 2022

### Withdrawal of Bank Loan Rating

#### Ratings

Sl. No.	Instrument/Facility	Amount (INR Crore)	Rating	Rating Action	<a href="#">Complexity indicators</a>
1.	Long Term Fund Based Bank Facility – Cash Credit	0.00 (Previously 45.00)	--	Withdrawn	Simple
2.	Long Term Fund Based Bank Facility – ECLGS	0.00 (Previously 4.59)	--	Withdrawn	Simple
	<b>Total</b>	<b>0.00</b>			

#### Details of Facilities are in Annexure 1

#### Detailed Rationale

Infomerics Valuation and Rating Private Limited has withdrawn the ratings of “IVR BBB+; Credit watch with developing implications” [IVR Triple B Plus; Under credit watch with developing implications] assigned to the bank facilities of Sanvijay Alloys and Power Limited with immediate effect.

#### ***Change in hands in terms of ownership by way of transfer of shares of SAPL from Sanvijay group to Omsairam Group***

The Board of Directors of Om Sairam Steels and Alloys Private at its meeting held on August 27<sup>th</sup>, 2021 approved the Investments made in Sanvijay Alloys and Power Limited by way of transfer of shares of SAPL to Om Sairam Steels and Alloys Private Limited (approval of Board of Directors of Sanvijay Alloys and Power Limited was received as on October 1, 2021. As per memorandum of possession (MoP) signed on October 11<sup>th</sup>, 2021, between Promoters/shareholders of Sanvijay Alloys and power Ltd., (the seller Company) and Omsairam Steel and Alloys Private Limited (Purchaser Company), the possession of the plant was handed over to the management of purchaser company subject to terms and conditions mentioned in MOP. Accordingly, Omsairam Steel and Alloys Private Limited



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(OSAPL) management has taken possession of the plant and operating it w.e.f. October 11, 2021.

As on August 31, 2022 OSAPL holds 80% Shareholding in SAPL and has given Corporate Guarantee for the debt of SAPL.

The Bank Facilities aggregating to INR45.59 Crore of Union Bank of India stands transferred to another bank named Central Bank of India (on the event of transfer of shares made by Sanvijay Alloys and Power Limited to Omsairam Steels and Alloys Private Limited) and hence on the back of the contouring event SAPL has surrendered the facilities of Union Bank of India for which the company has submitted the NO DUE CERTIFICATE from the banker dated July 30, 2022.

### **Detailed Rationale**

The rating is withdrawn in accordance with Infomerics' policy on withdrawal and as requested by the company.

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

[Policy on Withdrawal of Ratings.](#)

### **About the company**

Sanvijay Alloys and Power Limited (SAPL) is now part of Omsairam Group, wherein Omsairam Steels and Alloys Private Limited is the parent company of SAPL. SAPL is in the business of manufacturing of sponge Iron and generation of power.

**Status of non-cooperation with previous CRA:** N.A

**Any other information:** N.A.

**Rating History for last three years:**

Sl. No.	Name of Instrument/ Facilities	Current Rating (Year 2022-23)			Rating History for the past 3 years			
		Type	Amount outstanding (Rs. crore)	Rating*	Date(s) & Rating(s) assigned in 2022-23 (June 15,	Date(s) & Rating(s) assigned in 2021- 22 (June	Date(s) & Rating(s) assigned in 2020-	Date(s) & Rating(s) assigned in 2019- 20



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					2022)	8, 2021)	21	
1.	Long Term Fund Based Bank Facility – Cash Credit	Long Term	0.00	NA	IVR BBB+; Under Credit Watch With Developing Implications	IVR BBB+/Stable		--
2.	Long Term Fund Based Bank Facility – ECLGS	Long Term	0.00	NA	IVR BBB+; Under Credit Watch With Developing Implications	IVR BBB+/Stable		--

*\*NA: Not Applicable, as rating stands withdrawn.*

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### About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI). Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating. Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks. Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations. For more information visit [www.infomerics.com](http://www.infomerics.com).

**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



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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 Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Fund Based Bank Facility – Cash Credit	-	-	-	0.00	Withdrawn
Long Term Fund Based Bank Facility – ECLGS	-	-	-	0.00	Withdrawn

**Annexure 2: List of companies considered for consolidated analysis: Not Applicable**

**Annexure 3: Facility wise lender details: Not Applicable**

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable**

**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).