



Infomerics Valuation And Rating Pvt. Ltd.

Press Release

Srikalahasthi Pipes Ltd.

December 18, 2017

Ratings

Sl. No.	Instrument/Facility	Amount (Rs. Crore)	Outstanding Rating	Rating Action
1	Outstanding Long-Term Borrowing (LTB) Programme	84.9	IVR A+/Stable Outlook (IVR Single A plus with Stable Outlook)	Withdrawn
2	Proposed LTB/Non-Convertible Debentures (NCD)	115.1	IVR A+/Stable Outlook (IVR Single A plus with Stable Outlook)	Withdrawn
	Total	200.0		

Details of Facilities are in Annexure 1

Detailed Rationale

Infomerics Valuation and Rating Private Ltd. has withdrawn the IVR A+/Stable Outlook ratings of outstanding LTB of Rs.84.9 crore and proposed LTB/NCD of Rs.115.1 crore of Srikalahasthi Pipes Ltd., at the request of the company based on receipt of No Objection Certificate (NOC) from the concerned lenders of the company.

Detailed Rationale

The ratings are withdrawn in accordance with the Infomerics' policy on withdrawal and as requested by the company.

Analytical Approach: Not Applicable

Applicable Criteria: Policy on withdrawal

About the Company

Srikalahasthi Pipes Ltd. (SPL), erstwhile Lanco Industries Limited (LIL), incorporated in 1991, is one of the largest producers of DI pipes in India (15-17% market share). LIL



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was initially promoted by Hyderabad-based Lanco group, which was acquired by Kolkata-based Electrosteel group from 2002 gradually. LIL started commercial production in 1994. DI pipe is the core product of SPL, which contributed over 80% of its sales in the past two years. At present, the aggregate DI pipe manufacturing capacity of SPL is 300000 tonnes per annum. Besides DI pipes, the company also manufactures Pig Iron, Portland Slag Cement and Coke, most of which is used for captive purposes. Electrosteel Castings Ltd. (ECL), is the flagship company of the Electrosteel group. ECL is one of the largest producers of DI pipes in India.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Nil

Rating History for last three years: Annexure 2

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.

Name and Contact Details of the Rating Analyst:

Name: Shri Shreepad S. Aute

Tel: (022) 40036966

Email: ssaute@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. It is gradually gaining prominence in domestic rating and/or grading space. Infomerics is striving for positioning itself as the most trusted & credible rating agency in the country and is gradually widening its product portfolio. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

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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. Crores)	Rating Assigned/ Outlook
Outstanding Long-Term Borrowings(LTB)	Present Outstanding	Varied	Varying maturities till September 15, 2020	84.9	IVR A+/ Stable (Single A plus with stable outlook) – Withdrawn
Proposed LTB / Non-Convertible Debentures	--	--	--	115.1	IVR A+/ Stable (Single A plus with stable outlook) – Withdrawn

Annexure 2: Rating history for last three years

S. No.	Name of Instrument / Facilities	Current Rating (Year 2017-18)				Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating		Date(s) & Rating(s) assigned in 2016-17	Date(s) & Rating(s) assigned in 2015-16	Date(s) & Rating(s) assigned in 2014-15
				Dec. 15, 2017	Sept. 22, 2017			
1.	Long-term Borrowing (LTB) programme	Long Term	84.9	IVR A+/ Stable – Withdrawn	IVR A+/ Stable	IVR AA/Stable (Sept. 09, 2016)	--	--
2.	Proposed LTB / Non-Convertible Debentures (NCD)	Long Term	115.1	IVR A+/ Stable – Withdrawn	IVR A+/ Stable	IVR AA/Stable (Sept. 09, 2016)	--	--