

July 16, 2010

**CARE ASSIGNS 'CARE BB+' TO BANK FACILITIES OF
SISCO INDUSTRIES LTD****Rating**

Facilities	Amount (Rs. cr)	Ratings ¹	Remarks
Long-term Fund-based Facilities	6.9	'CARE BB+' (Double B Plus)	Assigned

Rating Rationale

The rating is constrained by SISCO's relatively small scale of operations and weak financial profile characterized by low profitability levels and high receivables period leading to working capital intensive nature of business operations. The rating also takes into account the inherent cyclical trends associated with the steel industry. The rating derives strength from the experience and resourcefulness of the promoters, long track record of operations and comfortable capital structure of the company.

Going forward, the ability of SISCO to profitably scale up the operations and reduction in the receivables period shall be the key rating sensitivities.

Company Profile

Incorporated in March 2003, SISCO is engaged in manufacturing of structural products namely angles, beams, channels etc, with an installed capacity of 25,000 tonne per annum (tpa). The company is promoted by Mr. Sanjeev Agarwal, who has been associated with the steel business for over 15 years.

On a total operating income of Rs.51.46 cr during FY09, SISCO earned PBILDT and PAT of Rs.1.6 cr and Rs.0.67 cr respectively. As per the provisional results for FY10, SISCO achieved total operating income of Rs.50.62 cr with PBILDT and PAT of Rs.1.46 cr and Rs.0.43 cr respectively.

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CARE classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries /regulators or others are welcome to write to care@careratings.com for any clarifications.

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