

July 8, 2010

**CARE REAFFIRMS THE RATINGS TO THE BANK FACILITIES OF  
TRIUMPH STEEL UDYOG PVT LTD.  
(ERSTWHILE MANU RE-ROLLING MILL PVT LTD.)**

**Ratings**

<b>Facilities/Instruments</b>	<b>Amount (Rs. crore)</b>	<b>Ratings<sup>1</sup></b>	<b>Remarks</b>
Long-term Bank Facilities	25.00	<b>'CARE BBB-' (Triple B Minus)</b>	Reaffirmed
Short-term Bank Facilities	5.00	<b>'PR3' (PR Three)</b>	Reaffirmed
<b>Total Facilities</b>	<b>30.00</b>		

**Rating Rationale**

The ratings continue to derive strength from the promoters' association with steel-related industries for more than two decades, commencement of commercial operation of the modernisation project, comfortable leverage position and improvement in demand from major end-user sector viz infrastructure.

The ratings are, however, constrained by the relatively small size of operations, low profitability margins, limited experience in large rolling mill operations, absence of a long-term contract for sourcing of raw materials and the cyclical nature of the construction sector.

TSUPL's ability to achieve envisaged capacity utilisation at its rolling mill and improvement in profitability margins are key rating sensitivities.

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<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

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## Company Profile

Incorporated in 1993, TSUPL is engaged in manufacturing and trading of MS Tor steel bars – or Cold Twisted Drawn (CTD) bars. The company, in January 2010, has completed expansion-cum-modernisation project of the rolling mill in order to enhance the installed capacity of the existing rolling mill from 10,000 tonne per annum (tpa) to 22,163 tpa.

TSUPL registered PAT of Rs.4.27 crore on a total operating income of Rs.178.67 crore in FY10.

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