

## Press Release

**SKS Ispat and Power Limited**

January 03, 2019



## Rating Update

<b>Total Bank Facilities Rated*</b>	Rs. 727.92 Cr.#
<b>Long Term Rating</b>	ACUITE D Issuer not co-operating*
<b>Short Term Rating</b>	ACUITE D Issuer not co-operating*

#Refer Annexure for details

\*The issuer did not co-operate; based on best available information.

## Rating Rationale

ACUITE has reviewed long-term rating of '**ACUITE D**' (**read as ACUITE D**) and short term rating of '**ACUITE D**' (**read as ACUITE D**) on the Rs. 727.92 crore bank facilities of SKS Ispat and Power Limited. This is an indicative rating.

### Non-cooperation by the issuer/borrower:

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

### Applicable Criteria

- Default Recognition -<https://www.acuite.in/view-rating-criteria-17.htm>
- Manufacturing Entities-<https://www.acuite.in/view-rating-criteria-4.htm>

### Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

### About the Rated Entity:

SKS, incorporated in 2000, is a Mumbai-based company promoted by Mr Gupta and family. The company is engaged in the manufacturing and trading of beams, angles, channels, TMT bars and wire rods. The installed capacity stands at 352,000 tonnes per annum (TPA) for rolled products, and 160,000 TPA for TMT bars and wire rods. SKS also has a captive power plant with generation capacity of 85 megawatts.

### About the Rated Entity - Key Financials

	Unit	FY17(Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	716.67	674.91	989.64
EBITDA	Rs. Cr.	37.17	(2.23)	32.85
PAT	Rs. Cr.	(71.29)	(137.95)	(111.99)
EBITDA Margin	(%)	5.19	(0.33)	3.32
PAT Margin	(%)	(9.95)	(20.44)	(11.32)
ROCE	(%)	(0.33)	(3.49)	(2.13)
Total Debt/Tangible Net Worth	Times	1.39	1.36	3.31
PBDIT/Interest	Times	0.60	0.04	0.23
Total Debt/PBDIT	Times	13.45	130.01	37.19
Gross Current Assets (Days)	Days	131	150	144

### Status of non-cooperation with previous CRA (if applicable)

None

### Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

### Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
23-Oct-2017	Term Loan – I	Long term	152.27	ACUITE D (Reaffirmed)
	Term Loan II	Long term	14.08	ACUITE D (Reaffirmed)
	Term Loan III	Long term	9.36	ACUITE D (Reaffirmed)
	Term Loan IV	Long term	17.41	ACUITE D (Reaffirmed)
	Term Loan V	Long term	9.25	ACUITE D (Reaffirmed)
	Term Loan VI	Long term	5.89	ACUITE D (Reaffirmed)
	Term Loan VII	Long term	14.97	ACUITE D (Reaffirmed)
	Term Loan VIII	Long term	14.98	ACUITE D (Reaffirmed)
	Term Loan IX	Long term	17.49	ACUITE D (Reaffirmed)

	Term Loan X	Long term	4.78	ACUITE D (Reaffirmed)
	Term Loan Xi	Long term	11.72	ACUITE D (Reaffirmed)
	Term Loan XII	Long term	49.83	ACUITE D (Reaffirmed)
	Cash Credit	Long term	208.45	ACUITE D (Reaffirmed)
	Letter Of Credit	Short Term	159.83	ACUITE D (Reaffirmed)
	Bank Guarantee	Short Term	23.00	ACUITE D (Reaffirmed)
	Proposed Fund Based Limit	Short Term	14.61	ACUITE D (Assigned)
25-Jul-2016	Term Loan	Long Term	337.14	ACUITE D (Downgraded)
	Cash Credit	Long Term	207.95	ACUITE D (Downgraded)
	Letter Of Credit	Short Term	159.83	ACUITE D (Downgraded)
	Bank Guarantee	Short Term	23.00	ACUITE D (Downgraded)
	Term Loan	Long Term	18.00	ACUITE C (Withdrawn)
15-Apr-2015	Term Loan	Long Term	621.08	ACUITE C (Assigned)
	Cash Credit	Long Term	257.95	ACUITE C (Assigned)
	Letter Of Credit	Short Term	144.32	ACUITE A4 (Assigned)

\*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Term Loan – I	Not Applicable	Not Applicable	Not Applicable	152.27	ACUITE D *Issuer Non-cooperating
Term Loan II	Not Applicable	Not Applicable	Not Applicable	14.08	ACUITE D *Issuer Non-cooperating
Term Loan III	Not Applicable	Not Applicable	Not Applicable	9.36	ACUITE D *Issuer Non-cooperating
Term Loan IV	Not Applicable	Not Applicable	Not Applicable	17.41	ACUITE D *Issuer Non-cooperating
Term Loan V	Not Applicable	Not Applicable	Not Applicable	9.25	ACUITE D *Issuer Non-cooperating
Term Loan VI	Not Applicable	Not Applicable	Not Applicable	5.89	ACUITE D *Issuer Non-cooperating
Term Loan VII	Not Applicable	Not Applicable	Not Applicable	14.97	ACUITE D *Issuer Non-cooperating
Term Loan VIII	Not Applicable	Not Applicable	Not Applicable	14.98	ACUITE D *Issuer Non-cooperating
Term Loan IX	Not Applicable	Not Applicable	Not Applicable	17.49	ACUITE D *Issuer Non-cooperating
Term Loan X	Not Applicable	Not Applicable	Not Applicable	4.78	ACUITE D *Issuer Non-cooperating
Term Loan XI	Not Applicable	Not Applicable	Not Applicable	11.72	ACUITE D *Issuer Non-cooperating
Term Loan XII	Not Applicable	Not Applicable	Not Applicable	49.83	ACUITE D *Issuer Non-cooperating
Cash Credit	Not Applicable	Not Applicable	Not Applicable	208.45	ACUITE D *Issuer Non-cooperating

Letter Of Credit	Not Applicable	Not Applicable	Not Applicable	159.83	ACUITE D *Issuer Non-cooperating
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	23.00	ACUITE D *Issuer Non-cooperating
Proposed Fund Based Limit	Not Applicable	Not Applicable	Not Applicable	14.61	ACUITE D *Issuer Non-cooperating

\*The issuer did not co-operate; based on best available information.

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## About Acuité Ratings & Research:

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