

Press Release

Rourkela Steel Corporation

June 29, 2018



Rating Update

Total Bank Facilities Rated*	Rs. 9.40 Cr.
Long Term Rating	ACUITE BB Issuer not co-operating*
Short Term Rating	ACUITE A4+ Issuer not co-operating*

#Refer Annexure for details

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

Acuité has reviewed long-term rating of '**ACUITE BB**' (**read as ACUITE double B**) and short term rating of '**ACUITE A4+**' (**read as ACUITE A four plus**) on the Rs.9.40 crore bank facilities of Rourkela Steel Corporation.

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 Acuite's policies.

Applicable Criteria

- Default Recognition: <https://www.acuite.in/criteria-default.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-6.htm>
- Consolidation Of Companies - <https://www.acuite.in/view-rating-criteria-22.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 endeavored to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Analytical Approach

ACUITE has considered a consolidated view on the financials of Shree Samtaih Enterprises Private Limited and Rourkela Steel Corporation while arriving at the rating. This is because all the two entities are in the same line of business, common management and significant operational linkages. The group is herein referred to as Shree Samtaih Group.

About the Rated Entity:

RSC was established in the year 1974, it trades in iron and steel products. The group's operations are managed by Mr Kedar Kheria and his son Mr Mayur Kheria.

Shree Samtaih Enterprises Private Limited (SSEPL) was established in the year 1997 and trades in iron and steel products and also fabricates them. The company is part of Shree Samtaih group, with other major company being Rourkela Steel Corporation (RSC).

The group reported Profit After Tax (PAT) of Rs 1.09 crore as against operating income of Rs 158.70 crore in FY2015-16, While it reported PAT of Rs 1.21 crore as against operating income of Rs 173.08 crore in FY2014-15. The company on standalone basis reported Profit After Tax (PAT) of Rs 0.42 crore as against operating income of Rs 60.75 crore in FY2015-16, While it reported PAT of Rs 0.71 crore as against operating income of Rs 72.56 crore in FY2014-15. Till middle March 2017 (Provisional) they have registered revenue of Rs 61 crore.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
22 May, 2017	Cash Credit	Long Term	5.00	ACUITE BB/Stable (Assigned)
	Bill Discounting	Long Term	2.50	ACUITE A4+ (Assigned)
	Bank Guarantee	Long Term	1.90	ACUITE A4+ (Assigned)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings
Cash Credit	NA	NA	NA	5.00	ACUITE BB Issuer not co-operating*
Bill Discounting	NA	NA	NA	2.50	ACUITE A4+ Issuer not co-operating*
Bank Guarantee	NA	NA	NA	1.90	ACUITE A4+ Issuer not co-operating*

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

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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