

Press Release

Rourkela Steel Corporation

March 21, 2022



Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	4.40	-	ACUITE A4 Reaffirmed Issuer not co-operating*
Bank Loan Ratings	5.00	ACUITE B+ Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	9.40	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE B+**' (read as **ACUITE single B plus**) from '**ACUITE BB-**' (read as **ACUITE double B minus**) and reaffirmed short-term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs. 9.40 crore bank facilities of Rourkela Steel Corporation (RSC). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

RSC was established in the year 1974, which trades in iron and steel products, It is Located in the north-western tip of Odisha. group's operations are managed by Mr Kedar Kheria and his son, Mr Mayur Kheria. Shree Samtainath Enterprises Private Limited (SSEPL) was established in the year 1997 and it trades in iron and steel products and also fabricates them. The company is a part of Shree Samtainath Group, with other major company being Rourkela Steel Corporation (RSC).

Non-cooperation by the issuer/borrower:

Acuite 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 the due date.

This rating continues to be flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

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). Acuite 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.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Rating Sensitivity

No information provided by the issuer / available for Acuité to comment upon.

Material Covenants

Not Applicable

Liquidity Position

No information provided by the issuer / available for Acuité to comment upon.

Outlook

Not Applicable

Status of non-cooperation with previous CRA

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.

Applicable Criteria

- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
18 Dec 2020	Cash Credit	Long Term	5.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	1.90	ACUITE A4 (Downgraded and Issuer not co-operating*)
	Bills Discounting	Short Term	2.50	ACUITE A4 (Downgraded and Issuer not co-operating*)
18 Sep 2019	Cash Credit	Long Term	5.00	ACUITE BB (Issuer not co-operating*)
	Bills Discounting	Short Term	2.50	ACUITE A4+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	1.90	ACUITE A4+ (Issuer not co-operating*)
29 Jun 2018	Bills Discounting	Short Term	2.50	ACUITE A4+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	1.90	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	5.00	ACUITE BB (Issuer not co-operating*)
22 May 2017	Cash Credit	Long Term	5.00	ACUITE BB Stable (Assigned)
	Bills Discounting	Short Term	2.50	ACUITE A4+ (Assigned)
	Bank Guarantee	Short Term	1.90	ACUITE A4+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Union Bank of India	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	1.90	ACUITE A4 Reaffirmed Issuer not co-operating*
Union Bank of India	Not Applicable	Bills Discounting	Not Applicable	Not Applicable	Not Applicable	2.50	ACUITE A4 Reaffirmed Issuer not co-operating*
Union Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-)

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About Acuité Ratings & Research

Acuité Ratings & Research 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 8,850 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 Kanjurmarg, Mumbai.

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