

Press Release

Salem Stainless Steel Supplies Private Limited

April 19, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	79.00	ACUITE BB+ Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	79.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB**' (read as **ACUITE triple B**) on the Rs.79 Cr bank facilities of Salem Stainless Steel Supplies Private Limited (SSSS). The rating is flagged as "Issuer Not Cooperating" and is downgraded on account of information risk and Non Submission of No Default Statement (NDS).

About the Company

Salem Stainless Steel Supplies Private Limited (SSSS) is a Chennai (Tamilnadu) based company which was established as a partnership firm by Mr. Shantilal P Jain and his family in 1984. Later in 2009, it was converted into a private limited company. The day to day operations are managed by the current Directors - Mr. Sripal Jain, Mr. Manish Jain, Mr. Abhishek Jain and Mr. Vipul Jain. SSSS is the largest authorised dealer for trading of various stainless steel products for Jindal Stainless steel Limited (JSL) and Steel Authority of India Limited SAIL in Southern Region. Additionally, the company is an authorised agent for selling various steel products of reputed steel manufacturers like Cu-Fe-Al Alloys (Pvt) Ltd, Riadi Steels LLP, Vishal Metal & Mining Corporation, Rishi Steels & Tubes, Stratus Steel DMCC, Joy Reap Metal India Private Limited, Rabirun Vinimay Private Limited among others.

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.

Rating Sensitivities

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

Material Covenants

Not Applicable

Liquidity Position

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

Outlook

Not applicable

Other Factors affecting Rating

Not applicable

Key Financials:

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

Status of non-cooperation with previous CRA

Not Applicable

Any other information

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

Applicable Criteria

- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Trading Entity: <https://www.acuite.in/view-rating-criteria-61.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
24 Feb 2021	Cash Credit	Long Term	22.00	ACUITE BBB Stable (Reaffirmed)
	Letter of Credit	Short Term	3.00	ACUITE A3+ (Withdrawn)
	Cash Credit	Long Term	30.00	ACUITE BBB Stable (Reaffirmed)
	Proposed Bank Facility	Short Term	5.40	ACUITE BBB (Withdrawn)
	Inventory Funding	Short Term	10.00	ACUITE BBB (Withdrawn)
	Secured Overdraft	Long Term	27.00	ACUITE BBB Stable (Reaffirmed)

30 Dec 2019	Cash Credit	Long Term	22.00	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	30.00	ACUITE BBB Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	0.40	ACUITE BBB Stable (Reaffirmed)
	Inventory Funding	Long Term	10.00	ACUITE BBB Stable (Reaffirmed)
	Letter of Credit	Short Term	3.00	ACUITE A3+ (Reaffirmed)
	Secured Overdraft	Long Term	19.00	ACUITE BBB Stable (Reaffirmed)
17 Sep 2019	Cash Credit	Long Term	2.00	ACUITE BBB Stable (Assigned)
	Cash Credit	Long Term	20.00	ACUITE BBB Stable (Reaffirmed)
	Letter of Credit	Short Term	3.00	ACUITE A3+ (Reaffirmed)
	Cash Credit	Long Term	30.00	ACUITE BBB Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	0.40	ACUITE BBB Stable (Reaffirmed)
	Secured Overdraft	Long Term	19.00	ACUITE BBB Stable (Reaffirmed)
	Inventory Funding	Long Term	10.00	ACUITE BBB Stable (Assigned)
22 Aug 2018	Cash Credit	Long Term	69.00	ACUITE BBB Stable (Reaffirmed)
	Letter of Credit	Short Term	3.00	ACUITE A3+ (Reaffirmed)
	Proposed Bank Facility	Long Term	0.40	ACUITE BBB Stable (Reaffirmed)
07 Jul 2018	Cash Credit	Long Term	61.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Proposed Bank Facility	Long Term	0.40	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Letter of Credit	Short Term	11.00	ACUITE A3+ (Upgraded from ACUITE A3)
12 Sep 2017	Letter of Credit	Short Term	13.00	ACUITE A3 (Assigned)
		Long		
	Cash Credit	Term	21.40	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	23.00	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
HDFC Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	30.00	ACUITE BB+ Downgraded Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	22.00	ACUITE BB+ Downgraded Issuer not co-operating*
HSBC	Not Applicable	Overdraft	Not Applicable	Not Applicable	Not Applicable	27.00	ACUITE BB+ Downgraded Issuer not co-operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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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