Press Release

Salem Stainless Steel Supplies Private Limited

July 17, 2023

Rating Reaffirmed and Issuer not co-operating

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

Rating Rationale

Acuité has reaffirmed the long-term rating of '**ACUITE BB+' (read as ACUITE double B plus)** on the Rs.79 Cr bank facilities of Salem Stainless Steel Supplies Private Limited (SSSS). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on best available information.

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:

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 the due date.
Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.
This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité'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). Acuité endeavored 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.

Rating Sensitivity

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

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	398.11	250.68
PAT	Rs. Cr.	12.63	4.73
PAT Margin	(%)	3.17	1.89
Total Debt/Tangible Net Worth	Times	1.74	1.92
PBDIT/Interest	Times	2.56	1.68

Status of non-cooperation with previous CRA
Not Applicable

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
- Application Of Financial Ratios And Adjustments: https://www.acuite.in/view-rating-criteria-53.htm

Note on Complexity Levels of the Rated Instrument
In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
19 Apr 2022	Cash Credit	Long Term	30.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	22.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Secured Overdraft	Long Term	27.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
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)

Annexure - Details of instruments rated

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