



Press Release
SKP Steel Industries Private Limited
October 16, 2024
Rating Downgraded, Reaffirmed and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|---|---------------------|--|--|
| Bank Loan Ratings | 38.25 | ACUITE BB- Downgraded Issuer not co-operating* | - |
| Bank Loan Ratings | 0.75 | - | ACUITE A4+ Reaffirmed Issuer not co-operating* |
| Total Outstanding Quantum (Rs. Cr) | 39.00 | - | - |
| Total Withdrawn Quantum (Rs. Cr) | 0.00 | - | - |

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

Rating Rationale

Acuite has downgraded the long-term rating to ‘**ACUITE BB-**’ (read as **ACUITE double B minus**) from ‘**ACUITE BB**’ (read as **ACUITE double B**) and reaffirmed the short-term rating of ‘**ACUITE A4+**’ (read as **ACUITE A four plus**) on the Rs. 39.00 crore bank facilities of SKP Steel Industries Private Limited (SSIPL) on account of information risk. The rating continues to be flagged as “Issuer Not-Cooperating” and is based on the best available information.

About the Company

Incorporated in 1997, SKP Steel Industries Private Limited (SSIPL) is a Kolkata based company, promoted by Mr. Surendra Kumar Pasari. The company is engaged in the manufacturing of MS Wires, MS Pipes and Stainless Steel Pipes under the brand “Kings”. The company has installed capacity of 34000 metric tonnes per annum (MTPA) of MS pipes, 3000 MTPA of stainless steel (SS) pipes and 1000 tonnes of MS Wires. Currently, the day to day operations of the company are looked after by the second generation of the Pasari family, led by Mr. Anirudh Pasari and Mr. Ayush Pasari, along with the guidance of Mr. Surendra Pasari.

Unsupported Rating

Not Applicable

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.

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."

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

| Particulars | Unit | FY 19 (Actual) | FY 18 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income | Rs. Cr. | 158.81 | 155.56 |
| PAT | Rs. Cr. | 0.90 | 0.76 |
| PAT Margin | (%) | 0.57 | 0.49 |
| Total Debt/Tangible Net Worth | Times | 3.46 | 1.44 |
| PBDIT/Interest | Times | 1.71 | 1.72 |

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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, Acuite 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 Jul 2023 | Cash Credit | Long Term | 21.00 | ACUITE BB (Reaffirmed & Issuer not co-operating*) |
| | Term Loan | Long Term | 17.04 | ACUITE BB (Reaffirmed & Issuer not co-operating*) |
| | Proposed Long Term Bank Facility | Long Term | 0.21 | ACUITE BB (Reaffirmed & Issuer not co-operating*) |
| | Bank Guarantee (BLR) | Short Term | 0.75 | ACUITE A4+ (Reaffirmed & Issuer not co-operating*) |
| 25 Apr 2022 | Bank Guarantee (BLR) | Short Term | 0.75 | ACUITE A4+ (Reaffirmed & Issuer not co-operating*) |
| | Cash Credit | Long Term | 21.00 | ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+) |
| | Term Loan | Long Term | 17.04 | ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+) |
| | Proposed Long Term Bank Facility | Long Term | 0.21 | ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+) |
| 21 Jan 2021 | Cash Credit | Long Term | 21.00 | ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable) |
| | Proposed Long Term Bank Facility | Long Term | 0.21 | ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable) |
| | Term Loan | Long Term | 17.04 | ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable) |
| | Bank Guarantee (BLR) | Short Term | 0.75 | ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3) |

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

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Quantum (Rs. Cr.) | Complexity Level | Rating |
|----------------------|----------------------|----------------------------------|----------------------|----------------------|----------------------|-------------------|------------------|---|
| Punjab National Bank | Not avl. / Not appl. | Bank Guarantee (BLR) | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 0.75 | Simple | ACUITE A4+ Reaffirmed Issuer not co-operating* |
| Punjab National Bank | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 21.00 | Simple | ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB) |
| Not Applicable | Not avl. / Not appl. | Proposed Long Term Bank Facility | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 0.21 | Simple | ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB) |
| Punjab National Bank | Not avl. / Not appl. | Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 17.04 | Simple | ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB) |

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

Contacts

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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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