

Press Release

Sundaram Steels Private Limited

May 19, 2021

Rating Withdrawn



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|------------------------------------|--|
| Total Bank Facilities Rated | Rs. 39.54 Cr.# |
| Long Term Rating | ACUITE BB+ (Downgraded & Withdrawn; Issuer not co-operating*) |
| Short Term Rating | ACUITE A4+ (Downgraded & Withdrawn; Issuer not co-operating*) |

refer Annexure for details

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

Rating Rationale

Acuite has downgraded and withdrawn the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and short term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3**' (read as **ACUITE A three**) on the Rs.39.54 crore bank facilities of Sundaram Steels Private Limited. The rating withdrawal is in accordance with Acuite's policy on withdrawal of rating. The rating is now "Issuer Not-Cooperating" and is downgraded on account of information risk.

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

Incorporated in 2008, Varanasi based Sundaram Steel Private Limited is promoted by Mr Mohit Jain, Mr Amit Jain, Mr. Yogesh Manek and Mr. Anurag Singhania. The company is engaged in production of sponge iron with an installed capacity of 54000 MTPA. The manufacturing facility is located at Bokaro, Jharkhand. The company has now gone for forward integration and set up a manufacturing unit for MS Billet with an installed capacity of 100000 MTPA where commercial operations are yet to commence.

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 due date.

Acuite 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

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.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). Acuite endeavoured 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.

Liquidity Position

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

Rating Sensitivities

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

About the Rated Entity - Key Financials

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

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

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

Rating History (Upto last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr.) | Ratings/Outlook |
|-------------|---------------------------------|------------|------------------|-----------------------------------|
| 25-Feb-2020 | Cash Credit | Long Term | 6.90 | ACUITE BBB-/Negative (Reaffirmed) |
| | Term Loan | Long Term | 5.87 | ACUITE BBB-/Negative (Reaffirmed) |
| | Cash Credit | Long term | 6.90 | ACUITE BBB-/Negative (Assigned) |
| | Term loan | Long term | 9.13 | ACUITE BBB-/Negative (Assigned) |
| | Bank Guarantee | Short Term | 4.56 | ACUITE A3 (Assigned) |
| | Bank Guarantee | Short Term | 6.18 | ACUITE A3 (Assigned) |
| 07-Dec-2018 | Cash Credit | Long Term | 5.00 | ACUITE BBB-/Stable (Assigned) |
| | Term Loan | Long Term | 2.50 | ACUITE BBB-/Stable (Assigned) |

*Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue | Ratings/Outlook |
|------------------------|------------------|----------------|----------------|-------------------|--|
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 6.90 | ACUITE BB+ (Downgrade, Indicative & Withdrawn) |
| Term Loan | Dec 2017 | Not Available | Mar 2026 | 5.87 | ACUITE BB+ (Downgrade, Indicative & Withdrawn) |
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 6.90 | ACUITE BB+ (Downgrade, Indicative & Withdrawn) |
| Term Loan | Dec 2017 | Not Available | Mar 2026 | 9.13 | ACUITE BB+ (Downgrade, Indicative & Withdrawn) |
| Bank Guarantee | Not Applicable | Not Applicable | Not Applicable | 4.56 | ACUITE A4+ (Downgrade, Indicative & Withdrawn) |
| Bank Guarantee | Not Applicable | Not Applicable | Not Applicable | 6.18 | ACUITE A4+ (Downgrade, Indicative & Withdrawn) |

Contacts:

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|---|--|
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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 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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