

Press Release

Rathi Steel and Metal Private Limited (Erstwhile Rajuri Steels Private Limited)
March 05, 2024



Product	Rating	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Ratings	Loan	110.04	ACUITE BB+ Reaffirmed & Withdrawn Issuer not co-operating*	-
Bank Ratings	Loan	10.00	-	ACUITE A4+ Reaffirmed & Withdrawn Issuer not co-operating*
Bank Ratings	Loan	0.46	-	Not Applicable Withdrawn
Total Outstanding Quantum (Rs. Cr)		0.00	-	-
Total Withdrawn Quantum (Rs. Cr)		120.50	-	-

Rating Rationale

Acuite has reaffirmed and withdrawn the long-term rating of '**ACUITE BB+**' (read as **ACUITE double B plus**) on the Rs 110.04 crore bank facilities and also reaffirmed and withdrawn the short-term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs 10.00 crore bank facilities of Rathi Steel and Metal Private Limited (ERWHILE RAJURI STEELS PRIVATE LIMITED). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information. Further, Acuite has withdrawn the short-term bank facilities on the Rs 0.46 crore of Rathi Steel and Metal Private Limited (ERWHILE RAJURI STEELS PRIVATE LIMITED) without assigning any rating as it is a proposed facility. The rating has been withdrawn on Acuite's policy of withdrawal of ratings as applicable to the respective instrument/facility. The rating has been withdrawn on account of the request received from the company, and the NOC (No Objection Certificate) received from the banker.

About the Company

RSMPL (erstwhile Rajuri Steels Private Limited) incorporated in the year 1990 and promoted by Mr. Dinesh Rathi is engaged in the manufacturing of mild steel billets and ThermoMechanically Treated (TMT) bars. The manufacturing facility is located at Jalna (Maharashtra) with an installed capacity of 2, 28,000 tonnes per annum (TPA) for TMT rolling and 2,16,000 TPA for MS Billets. The products are sold through 850 dealers across Maharashtra, Gujarat, Madhya Pradesh and Goa, under the 'Icon Steel' brand

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. Acuite believes that information risk is a critical component in such ratings, and noncooperation 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 endeavoured 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 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	783.14	380.94
PAT	Rs. Cr.	16.37	7.72
PAT Margin	(%)	2.09	2.03
Total Debt/Tangible Net Worth	Times	0.77	0.54
PBDIT/Interest	Times	4.09	2.73

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
26 Sep 2023	Proposed Short Term Bank Facility	Short Term	0.46	ACUITE A4+ (Downgraded & Issuer not co-operating*)
	Bank Guarantee (BLR)	Short Term	5.00	ACUITE A4+ (Downgraded & Issuer not co-operating*)
	Bank Guarantee (BLR)	Short Term	2.00	ACUITE A4+ (Downgraded & Issuer not co-operating*)
	Bank Guarantee (BLR)	Short Term	3.00	ACUITE A4+ (Downgraded & Issuer not co-operating*)
	Cash Credit	Long Term	32.50	ACUITE BB+ Not Applicable (Downgraded & Issuer not co-operating*)
	Term Loan	Long Term	20.54	ACUITE BB+ Not Applicable (Downgraded & Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE BB+ Not Applicable (Downgraded & Issuer not co-operating*)
	Term Loan	Long Term	17.00	ACUITE BB+ Not Applicable (Downgraded & Issuer not co-operating*)
	Cash Credit	Long Term	30.00	ACUITE BB+ Not Applicable (Downgraded & Issuer not co-operating*)
11 Jul 2022	Cash Credit	Long Term	32.50	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	20.54	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	17.00	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	30.00	ACUITE BBB Stable (Assigned)
	Bank Guarantee/Letter of Guarantee	Short Term	5.00	ACUITE A3+ (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	2.00	ACUITE A3+ (Assigned)
	Proposed Short Term Bank Facility	Short Term	0.46	ACUITE A3+ (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	3.00	ACUITE A3+ (Assigned)
27 Jun 2022	Cash Credit	Long Term	32.50	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	20.54	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Cash Credit	Long Term	10.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	17.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Bills Discounting	Short Term	5.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Proposed Short Term Bank Facility	Short Term	0.46	ACUITE A3+ (Upgraded from ACUITE A3)
31 Mar	Cash Credit	Long Term	32.50	ACUITE BBB- Stable (Upgraded from ACUITE BB)
	Proposed Long Term Bank Facility	Long Term	13.61	ACUITE BBB- Stable (Upgraded from ACUITE BB)
		Long		ACUITE BBB- Stable (Upgraded from

2021	Term Loan	Term	30.39	ACUITE BB)
	Bank Guarantee (BLR)	Short Term	7.00	ACUITE A3 (Upgraded from ACUITE A4+)
	Letter of Credit	Short Term	2.00	ACUITE A3 (Upgraded from ACUITE A4+)
17 Feb 2021	Bank Guarantee (BLR)	Short Term	7.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Letter of Credit	Short Term	6.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	32.50	ACUITE BB (Downgraded & Issuer not co-operating*)
	Term Loan	Long Term	40.00	ACUITE BB (Downgraded & Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Cosmos Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	5.00	ACUITE A4+ Reaffirmed & Withdrawn Issuer not co-operating*
Cosmos Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	2.00	ACUITE A4+ Reaffirmed & Withdrawn Issuer not co-operating*
Janata Sahakari Bank Ltd (Pune)	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	3.00	ACUITE A4+ Reaffirmed & Withdrawn Issuer not co-operating*
Janata Sahakari Bank Ltd (Pune)	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	30.00	ACUITE BB+ Reaffirmed & Withdrawn Issuer not co-operating*
Cosmos Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	32.50	ACUITE BB+ Reaffirmed & Withdrawn Issuer not co-operating*
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.00	ACUITE BB+ Reaffirmed & Withdrawn Issuer not co-operating*
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.46	Not Applicable Withdrawn
Cosmos Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	27 Feb 2025	Simple	20.54	ACUITE BB+ Reaffirmed & Withdrawn Issuer not co-operating*
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Jun 2024	Simple	17.00	ACUITE BB+ Reaffirmed & Withdrawn 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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