

Press Release

Rashmi Sponge Iron And Power Industries Private Limited

October 18, 2022



Rating Downgraded and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|---------------------------------------|---------------------|---|----------------------|
| Bank Loan Ratings | 59.25 | ACUITE BB+ Downgraded Issuer not co-operating* | - |
| Total Outstanding Quantum (Rs. Cr) | 59.25 | - | - |
| Total Withdrawn Quantum (Rs. Cr) | 0.00 | - | - |

Rating Rationale

Acuite has downgraded the long-term rating from '**ACUITE BBB**' (read as **ACUITE triple B**) to '**ACUITE BB+**' (read as **ACUITE double B plus**) on **Rs. 59.25 Cr. bank facilities of RASHMI SPONGE IRON AND POWER INDUSTRIES PRIVATE LIMITED**. This rating is now an indicative rating and is based on the best available information. The rating has been downgraded on account of information risk.

About the Company

Rashmi Sponge Iron & Power Industries Private Limited (RSIPIPL) is a Chhattisgarh based company, incorporated in 1995. The company was initially incorporated as JRG Credits & Holdings Pvt. Ltd. but was taken over by Agrawal family in 2003. RSIPIPL is engaged in the manufacture of sponge iron with an installed capacity of 66,000 MTPA, billets with an installed capacity of 100,000 MTPA and has a captive power plant of 8 MW. The manufacturing unit of the company is located at Siltara Industrial Area in Raipur. The company's board of directors include Mr. Kailash Chand Agrawal, Mr. Manoj Agrawal, Mr. Ankur Agrawal and Mr. Amol Agarwal.

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 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 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.

Rating Sensitivities

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

Material Covenants

None

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials:

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

Status of non-cooperation with previous CRA

Care Ratings, vide its press release dated June 24, 2022 had reaffirmed the rating of RSIPL to 'CARE BB/A4; ISSUER NOT COOPERATING'.

Brickworks Ratings vide its press release dated July 26, 2022 had downgraded the rating of RSIPL to 'BWR BB-/A4; ISSUER NOT COOPERATING'.

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

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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 |
|-------------|--------------------------------|-----------|-----------------|--------------------------------|
| 20 Jul 2021 | Cash Credit | Long Term | 59.25 | 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 |
|----------------------|----------------|-------------------|-------------------------|--------------------|----------------------|--------------------------|--|
| Punjab National Bank | Not Applicable | Cash Credit | Not Applicable | Not Applicable | Not Applicable | 59.25 | ACUITE BB+ Downgraded Issuer not co-operating* |

Contacts

| Analytical | Rating Desk |
|---|--|
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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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