



Press Release
Yazdani Steel And Power Limited
December 18, 2023

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	93.00	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	7.00	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	100.00	-	-

Rating Rationale

Acuite has downgraded its long-term rating from **Acuite BBB-(Acuite triple B minus)** to **Acuite BB+(Acuite double B plus)** and short-term rating of **Acuite A3(read as Acuite A three)** to **Acuite A4+(Acuite A four plus)** on the Rs.100.00 Cr. bank facilities of Yazdani Steel and Power Limited(YSPL). The rating is now being flagged as “**Issuer Not Cooperating**” and downgraded on account of information risk.

About the Company

Yazdani Steel & Power Limited (YSPL) was originally incorporated as Dinabandhu Steel & Power Limited in 2003. The company was taken over by Yazdani Group in 2011, subsequent to which the company was renamed as YSPL. The company had set up an integrated steel plant along with captive power generation facilities in Odisha with a capacity of 60,000 MTPA of Sponge Iron, 72,000 MTPA of Billets, 50,000 MTPA of TMT and 10 MW of captive power plant. Currently, the TMT capacity has been leased out. Additionally, recently YSPL has been granted a mining Lease for Kolmong Iron & Manganese Block and a mining lease of Bankhui coal block. The extraction of Manganese ore started from January, 2022 and the extraction of Iron ore started from August 2022.

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 endeavored 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.

All 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 (Provisional)	FY 21 (Actual)
Operating Income	Rs. Cr.	185.57	102.65
PAT	Rs. Cr.	5.87	0.44
PAT Margin	(%)	3.16	0.43
Total Debt/Tangible Net Worth	Times	0.54	0.70
PBDIT/Interest	Times	4.23	2.09

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

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

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
22 Sep 2022	Letter of Credit	Short Term	6.32	ACUITE A3 (Assigned)
	Term Loan	Long Term	1.08	ACUITE BBB- Stable (Assigned)
	Working Capital Term Loan	Long Term	1.90	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	16.26	ACUITE BBB- Stable (Assigned)
	Bank Guarantee	Short Term	0.68	ACUITE A3 (Assigned)
	Term Loan	Long Term	5.27	ACUITE BBB- Stable (Assigned)
	Proposed Bank Facility	Long Term	58.38	ACUITE BBB- Stable (Assigned)
	Covid Emergency Line	Long Term	7.12	ACUITE BBB- Stable (Assigned)
	Covid Emergency Line	Long Term	1.25	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	1.74	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
UCO Bank	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	0.68	ACUITE A4+ Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	16.26	ACUITE BB+ Downgraded Issuer not co-operating*
UCO Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	1.74	ACUITE BB+ Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Covid Emergency Line.	Not Applicable	Not Applicable	Not Applicable	Simple	7.12	ACUITE BB+ Downgraded Issuer not co-operating*
UCO Bank	Not Applicable	Covid Emergency Line.	Not Applicable	Not Applicable	Not Applicable	Simple	1.25	ACUITE BB+ Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	6.32	ACUITE A4+ Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	58.38	ACUITE BB+ Downgraded Issuer not co-operating*
UCO Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	1.08	ACUITE BB+ Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	5.27	ACUITE BB+ Downgraded Issuer not co-

								operating*
State Bank of India	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	Simple	1.90	ACUITE BB+ Downgraded 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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