



Press Release
SKA ISPAT PRIVATE LIMITED
November 19, 2024
Rating Downgraded & Withdrawn and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	63.38	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating*	-
Bank Loan Ratings	17.27	Not Applicable Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	80.65	-	-

* 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Acuite has downgraded and withdrawn the long-term rating to **ACUITE BB+ (read as ACUITE double B plus)** from **ACUITE BBB- (read as ACUITE triple B minus)** on the Rs. 63.38 crore bank facilities of SKA Ispat Private Limited (SIPL). The rating is being withdrawn on account of request received from the company and No objection Certificate (NOC) received from the banker. The rating withdrawal is in accordance with Acuite's policy on withdrawal of rating as applicable to the respective facility / instrument.

Also, Acuite has withdrawn its long-term rating on Rs. 15.00 Crore bank facilities without assigning any rating as the instrument is fully repaid of SKA Ispat Private Limited (SIPL). The rating is being withdrawn on account of request received from the company and No Dues Certificate (NDC) from the banker has been received for the facility. The rating withdrawal is in accordance with Acuite's policy on withdrawal of rating as applicable to the respective facility / instrument.

Acuite has withdrawn the long-term rating on Rs. 2.27 Crore bank facilities without assigning any rating as it is proposed facility of SKA Ispat Private Limited (SIPL). The rating withdrawal is in accordance with Acuite's policy on withdrawal of rating as applicable to the respective facility / instrument. The rating is being withdrawn on account of request received from the company.

The rating is now flagged as "Issuer Not-Cooperating" and is based on the best information available. The downgrade is on account of information risk.

About the Company

SIPL was initially incorporated as Sunil Agarwal Infrastructure Private Limited in 2009, later its name was changed to SKA Ispat Private Limited (SIPL) in September 2021. The promoters of SIPL are Mr. Sunil Kumar Agrawal, Mr. Anil Agrawal & Mr. Sushil Kumar Agrawal. The company is engaged in the manufacturing of billets and TMT bars with a total installed capacity of 1,50,000 MTPA each. It has purchased the assets of Jorawar Engineering & Foundry Forge Private Limited. The company is based in Chhattisgarh.

About the Group

SKA Steel and Power Private Limited (SSPPL) Incorporated in November 2020 by Mr. Sunil Kumar Agrawal, Mr.

Anil Agrawal and Mr. Sushil Kumar Agrawal, SKA Steel and Power Private Limited (SSPPL) has acquired a running rolling mill plant from Lingraj Steel & Power Private Limited in February 2021 with an installed capacity of 1,50,000 MTPA. The company then started billet production in July 2022 with an installed capacity of 1,63,044 MTPA for the purpose of backward integration of the TMT plant. The company is based in Chhattisgarh.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower

Acuité 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 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 Sensitivities

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 23 (Provisional)	FY 22 (Actual)
Operating Income	Rs. Cr.	996.75	596.38
PAT	Rs. Cr.	6.98	1.82
PAT Margin	(%)	0.70	0.31
Total Debt/Tangible Net Worth	Times	2.00	2.16
PBDIT/Interest	Times	2.49	1.79

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>
- 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

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité'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	
30 Aug 2023	Cash Credit	Long Term	15.00	ACUITE BBB-	Stable (Assigned)
	Secured Overdraft	Long Term	25.00	ACUITE BBB-	Stable (Assigned)
	Term Loan	Long Term	23.38	ACUITE BBB-	Stable (Assigned)
	Cash Credit	Long Term	15.00	ACUITE BBB-	Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	2.27	ACUITE BBB-	Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Bank of Baroda	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	Not Applicable Withdrawn
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BBB-)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.27	Simple	Not Applicable Withdrawn
Karnataka Bank Ltd	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BBB-)
Punjab National Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	23.38	Simple	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BBB-)

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

*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr.No.	Company Name
1	SKA Steel and Power Private Limited
2	SKA Ispat Private Limited

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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