

Steel Exchange India Limited

August 02, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	575.42	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	347.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	922.42 (Rs. Nine Hundred Twenty-Two Crore and Forty-Two Lakhs Only)		

Details of instruments/facilities in Annexure-1
Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated May 06, 2020, placed the rating(s) of Steel Exchange India Limited (SEIL) under the 'issuer non-cooperating' category as SEIL had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. SEIL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and an email dated March 22, 2021 and April 11, 2021 among others.

In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

Detailed description of the key rating drivers

 Please refer to PR dated [May 06, 2020](#)
Analytical approach: Standalone

Applicable Criteria
[Policy in respect of Non-cooperation by issuer](#)
[CARE's Policy on Default Recognition](#)
About the Company

Incorporated in February 1999, Steel Exchange India Ltd (SEIL) is primarily engaged in the manufacturing of TMT bars apart from billets, ingots and power generation. The company has a manufacturing facility for sponge iron (220,000 Tons Per Annum (TPA)), billets (240,000 TPA), ingots (90,000 TPA), and TMT bars (225,000 TPA). Apart from the above, the company also has wire drawing unit with capacity of 30,000 TPA and a 12 MW gas-based power plant. The company also deals in sale and purchase of steel products through its trading division and is recognized as one of the largest dealers for Rashtriya Ispat Nigam Limited. In November 2014, Simhadri Power Limited after receipt of due approvals from high court of Andhra Pradesh is merged with SEIL. A 60MW thermal power plant is located within the premises of SEIL.

Brief Financials (Rs. crore)	FY20 (A)	FY21(A)
Total operating income	789.03	922.05
PBILDT	79.07	139.71
PAT	64.29	139.98
Overall gearing (times)	NM	6.08
Interest coverage (times)	22.78	5.32

²Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Issuer did not cooperate; Based on best available information

A: Audited NM: Not Meaningful

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument/facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure 3

Complexity level of various instruments rated for this company: Annexure 4

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	June 2023	285.42	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit	-	-	-	347.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit	-	-	-	290.00	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Fund-based - LT-Term Loan	LT	285.42	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (06-May-20)	-	1)CARE D; ISSUER NOT COOPERATING* (28-Dec-18)
2.	Non-fund-based - ST-Letter of credit	ST	347.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (06-May-20)	-	1)CARE D; ISSUER NOT COOPERATING* (28-Dec-18)
3.	Fund-based - LT-Cash Credit	LT	290.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (06-May-20)	-	1)CARE D; ISSUER NOT COOPERATING* (28-Dec-18)
4.	Issuer Rating-Issuer Ratings	-	-	-	-	-	-	-

*Issuer did not cooperate; Based on best available information

Annexure 3: Covenants of rated instrument/facility: Not Applicable

Annexure 4: Complexity level of various instruments rated for this company:

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple
2.	Fund-based - LT-Term Loan	Simple

3.	Non-fund-based - ST-Letter of credit	Simple
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Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

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