

## Aloke Steels Industries Private Limited

December 02, 2022

### Ratings

| Facilities/Instruments       | Amount (Rs. crore)   | Rating <sup>1</sup>  | Rating Action  |
|------------------------------|--|--|--|
| Long Term Bank Facilities    | 17.80  | CARE BB+; Stable; ISSUER NOT COOPERATING*<br>(Double B Plus; Outlook: Stable; ISSUER NOT COOPERATING*) | Rating continues to remain under ISSUER NOT COOPERATING category |
| <b>Total Bank Facilities</b> | <b>17.80</b><br><b>(Rs. Seventeen Crore and Eighty Lakhs Only)</b> |  |  |

Details of instruments/facilities in Annexure-1

\*Issuer did not cooperate; Based on best available information

### Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated September 09, 2021, placed the rating(s) of Aloke Steels Industries Private Limited (ASIPL) under the 'issuer non-cooperating' category as ASIPL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. ASIPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated July 26, 2022, August 05, 2022, August 15, 2022.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'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 [September 09, 2021](#)

### Analytical approach: Combined

For arriving at its ratings, CARE has combined the business and financial risk profiles of Aloke Steel Industries Private Limited (ASIPL), Araanya Mines Private Limited (AMPL), Jharkhand Ispat Private Limited (JIPL) and MCCIPL as these are under common management and have significant operational and financial linkages.

### Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

### About the Company

ASIPL, incorporated in 2004, was promoted by Jharkhand based Mr. Ram Chandra Rungta. The company is engaged in the manufacturing of sponge iron at its plant located in Ramgarh, Jharkhand with an installed capacity of 120,000 MTPA. Other companies belonging to the RC Rungta group are Jharkhand Ispat Pvt. Ltd. engaged in the manufacturing of sponge iron and MS Billets and Maa Chhinnmastika Cement & Ispat Pvt. Ltd. engaged in the manufacturing of sponge iron. The aggregate installed capacity of the group for sponge iron is 3,30,000 MTPA and for billets is 78,990 MTPA. The group has also formed various Joint Ventures to carry on coal mining and handling activities for Mahanadi Coalfields Ltd.

| Brief Financials (Rs. crore) (Standalone) | FY20 (A) | FY21 (A) | FY22 (Prov.) | H1FY23 (Prov.) |
|---|----------|----------|--------------|----------------|
| Total operating income                    | 220.47   | 227.32   | NA           | NA             |
| PBILDT                                    | 14.01    | 19.98    | NA           | NA             |
| PAT                                       | 5.39     | 6.56     | NA           | NA             |
| Overall gearing (times)                   | 0.42     | 0.35     | NA           | NA             |
| Interest coverage (times)                 | 2.77     | 3.85     | NA           | NA             |

A: Audited, Prov.: Provisional, NA: Not Available

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

| Brief Financials (Rs. crore) (Combined) | FY20 (UA) | FY21 (UA) | FY22 (UA) | H1FY23 (Prov.) |
|---|-----------|-----------|-----------|----------------|
| Total operating income                  | 593.89    | 595.60    | NA        | NA             |
| PBILDT                                  | 22.39     | 33.43     | NA        | NA             |
| PAT                                     | 10.37     | 13.29     | NA        | NA             |
| Overall gearing (times)                 | 0.42      | 0.37      | NA        | NA             |
| Interest coverage (times)               | 2.12      | 3.55      | NA        | NA             |

A: Audited, Prov.: Provisional, NA: Not Available; UA: Unaudited

**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:** Annexure - 3

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

#### Annexure-1: Details of instruments/facilities

| Name of the Instrument             | IS IN | Date of Issuance | Coup on Rate | Maturity Date | Size of the Issue (Rs. crore) | Rating Assigned along with Rating Outlook |
|------------------------------------|-------|------------------|--------------|---------------|-------------------------------|---|
| Fund-based - LT-Cash Credit        |       | -                | -            | -             | 16.50                         | CARE BB+; Stable; ISSUER NOT COOPERATING* |
| Non-fund-based - LT-Bank Guarantee |       | -                | -            | -             | 1.30                          | CARE BB+; Stable; ISSUER NOT COOPERATING* |

\*Issuer did not cooperate; Based on best available information

#### Annexure-2: Rating history for the last three years

| Sr. No. | Name of the Instrument/ Bank Facilities | Current Ratings |                                |   | Rating History                              |   |   |   |
|---------|---|-----------------|--------------------------------|---|---|---|---|---|
|         |   | Type            | Amount Outstanding (Rs. crore) | Rating                                    | Date(s) and Rating(s) assigned in 2022-2023 | Date(s) and Rating(s) assigned in 2021-2022             | Date(s) and Rating(s) assigned in 2020-2021             | Date(s) and Rating(s) assigned in 2019-2020 |
| 1       | Fund-based - LT-Cash Credit             | LT              | 16.50                          | CARE BB+; Stable; ISSUER NOT COOPERATING* | -   | 1)CARE BB+; Stable; ISSUER NOT COOPERATING* (09-Sep-21) | 1)CARE BBB; Stable; ISSUER NOT COOPERATING* (08-Mar-21) | 1)CARE BBB+; Stable (23-Mar-20)             |
| 2       | Non-fund-based - LT-Bank Guarantee      | LT              | 1.30                           | CARE BB+; Stable; ISSUER NOT COOPERATING* | -   | 1)CARE BB+; Stable; ISSUER NOT COOPERATING* (09-Sep-21) | 1)CARE BBB; Stable; ISSUER NOT COOPERATING* (08-Mar-21) | 1)CARE BBB+; Stable (23-Mar-20)             |
| 3       | Non-fund-based - ST-Forward Contract    | ST              | -                              | -   | -   | -   | -   | 1)Withdrawn (23-Mar-20)                     |

\*Issuer did not cooperate; Based on best available information

**Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities:** Not applicable

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

| Sr. No. | Name of Instrument                 | Complexity Level |
|---------|------------------------------------|------------------|
| 1       | Fund-based - LT-Cash Credit        | Simple           |
| 2       | Non-fund-based - LT-Bank Guarantee | Simple           |

**Annexure-5: Bank lender details for this company**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for any clarifications.

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**About CARE Ratings Limited:**

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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