

## Orient Steel And Industries Limited

July 19, 2024

| Facilities/Instruments     | Amount (₹ crore) | Rating <sup>1</sup>                       | Rating Action  |
|----------------------------|------------------|---|--|
| Long Term Bank Facilities  | 10.00            | CARE BB-; Stable; ISSUER NOT COOPERATING* | Rating continues to remain under ISSUER NOT COOPERATING category |
| Short Term Bank Facilities | 12.00            | CARE A4; ISSUER NOT COOPERATING*          | Rating continues to remain under ISSUER NOT COOPERATING category |

Details of instruments/facilities in Annexure-1.

\*Issuer did not cooperate; based on best available information.

### Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated May 02, 2023, placed the rating(s) of Orient Steel And Industries Limited (OSIL) under the 'issuer non-cooperating' category as OSIL 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. OSIL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated March 17, 2024, March 27, 2024, April 06, 2024.

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).**

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of the key rating drivers:

Please refer to PR dated [May 02, 2023](#)

### Applicable criteria

[CARE Ratings' criteria on information adequacy risk and issuer non-cooperation](#)

[Policy on default recognition](#)

[Criteria on Assigning 'Outlook' or 'Rating Watch' to Credit Ratings](#)

### About the company

Orient Steel and Industries Limited (OSIL) [ISIN No.: INE663E01019] was incorporated in the year 1956 and started its operation from 1957. The company is engaged in manufacturing of steel casting (used in rail wagons), CR strips, LHB coaches, sheet piles used in irrigation projects for dredging in dams and soil retention. The company has two manufacturing units one is in Howrah, West Bengal and another is in Faridabad, Haryana with an aggregate manufacturing capacity of Steel Casting – 24,000 tons per annum (TPA), Steel shots & grits – 4200 TPA, Cold rolled steel strips – 13,000 TPA, Hot rolled steel strips – 75,000 TPA, Cold rolled formed section – 36000 TPA.

| Brief Financials (Rs. crore) | March 31, 2022 (A) | March 31, 2023 (A) | March 31, 2024 (Ab) |
|------------------------------|--------------------|--------------------|---------------------|
| Total operating income       | 52.28              | 91.77              | 109.63              |
| PBILDT                       | 9.37               | 18.68              | 24.10               |
| PAT                          | 4.43               | 13.47              | 8.05                |
| Overall gearing (times)      | 0.80               | 0.53               | 0.37                |
| Interest coverage (times)    | 2.10               | 5.30               | 8.52                |

A: Audited, Ab: Abridged; Note: 'the above results are latest financial results available'

**Status of non-cooperation with previous CRA:** Acuite (SMERA) has continued the ratings assigned to the bank facilities of OSIL to the 'issuer not-cooperating' category vide press release dated June 08, 2023 on account of its inability to carryout review in the absence of requisite information from the company.

**Any other information:** Not applicable

<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

**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:** Annexure-4

**Lender details:** Annexure-5

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

| Name of the Instrument               | ISIN | Date of Issuance (DD-MM-YYYY) | Coupon Rate (%) | Maturity Date (DD-MM-YYYY) | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|--------------------------------------|------|-------------------------------|-----------------|----------------------------|-----------------------------|---|
| Fund-based - LT-Cash Credit          |      | -                             | -               | -                          | 10.00                       | CARE BB-; Stable; ISSUER NOT COOPERATING* |
| Non-fund-based - ST-Bank Guarantee   |      | -                             | -               | -                          | 6.00                        | CARE A4; ISSUER NOT COOPERATING*          |
| Non-fund-based - ST-Letter of credit |      | -                             | -               | -                          | 6.00                        | CARE A4; 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 (₹ crore) | Rating                                    | Date(s) and Rating(s) assigned in 2024-2025 | Date(s) and Rating(s) assigned in 2023-2024             | Date(s) and Rating(s) assigned in 2022-2023 | Date(s) and Rating(s) assigned in 2021-2022             |
| 1       | Fund-based - LT-Cash Credit            | LT              | 10.00                        | CARE BB-; Stable; ISSUER NOT COOPERATING* | -   | 1)CARE BB-; Stable; ISSUER NOT COOPERATING* (02-May-23) | -   | 1)CARE BB-; Stable; ISSUER NOT COOPERATING* (11-Feb-22) |
| 2       | Non-fund-based - ST-Bank Guarantee     | ST              | 6.00                         | CARE A4; ISSUER NOT COOPERATING*          | -   | 1)CARE A4; ISSUER NOT COOPERATING* (02-May-23)          | -   | 1)CARE A4; ISSUER NOT COOPERATING* (11-Feb-22)          |
| 3       | Non-fund-based - ST-Letter of credit   | ST              | 6.00                         | CARE A4; ISSUER NOT COOPERATING*          | -   | 1)CARE A4; ISSUER NOT COOPERATING* (02-May-23)          | -   | 1)CARE A4; ISSUER NOT COOPERATING* (11-Feb-22)          |

\*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term

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

**Annexure-4: Complexity level of the various instruments rated**

| Sr. No. | Name of the Instrument               | Complexity Level |
|---------|--------------------------------------|------------------|
| 1       | Fund-based - LT-Cash Credit          | Simple           |
| 2       | Non-fund-based - ST-Bank Guarantee   | Simple           |
| 3       | Non-fund-based - ST-Letter of credit | Simple           |

**Annexure-5: Lender details**

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

**Note on the complexity levels of the rated instruments:** CARE Ratings 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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