

Rashtriya Ispat Nigam Limited (Revised)

July 05, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	13,983.89	CARE D	Revised from CARE BB+; Stable
Short Term Bank Facilities	15,016.11	CARE D	Revised from CARE A4+

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The revision in the ratings assigned to the bank facilities of Rashtriya Ispat Nigam Limited (RINL) takes into account the ongoing delays in servicing of debt obligations of bank facilities rated by CARE Ratings Limited (CARE Ratings) in June 2024, as indicated by the no-default statement for the month of June 2024 shared by the company.

Rating sensitivities: Factors likely to lead to rating actions
Positive factors- Factors likely to lead to positive rating action

- Establishing a track record of timely servicing of debt obligations for a period of at least 90 days

Negative factors- Factors likely to lead to negative rating action

Not applicable

Analytical approach: Consolidated

RINL along with its subsidiaries operate in the same line of business and have financial and management linkages. List of subsidiaries have been mentioned in the Annexure-6.

Outlook: Not applicable

Detailed description of the key rating drivers:
Key weaknesses
On-going delays in debt servicing

As per the no-default statement for the month of June 2024 received from the company, there are ongoing delays in servicing of debt obligations of bank facilities rated by CARE Ratings.

Liquidity: Poor

The liquidity position of RINL has deteriorated significantly, as the earlier envisaged non-core asset monetisation plans have not come through.

Assumptions/Covenants Not applicable

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Applicable criteria

[Consolidation](#)
[Definition of Default](#)
[Factoring Linkages Government Support](#)
[Liquidity Analysis of Non-financial sector entities](#)
[Rating Outlook and Rating Watch](#)
[Manufacturing Companies](#)
[Financial Ratios – Non financial Sector](#)
[Policy On Curing Period](#)
[Short Term Instruments](#)
[Iron & Steel](#)

About the company and industry

Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Commodities	Metals & Mining	Ferrous Metals	Iron & Steel

Rashtriya Ispat Nigam Limited (RINL), the corporate entity of Visakhapatnam Steel Plant (VSP) is a Public Sector Undertaking (PSU) with Navratna status, being 100% owned by the President of India (Govt of India). The company has shore-based integrated steel plant at Visakhapatnam in Andhra Pradesh. The company has an established position in the long steel products manufacturing within the domestic market with an installed liquid steel capacity of 6.3 million tonnes per annum (MTPA). RINL produces broad range of steel products, including plain wire rods, rebars, rounds, squares, structural, billets, blooms, and pig iron.

Brief Financials (₹ crore)	FY2022 (A)	FY2023 (A)	9MFY2024 (UA)
	Consolidated	Consolidated	Standalone
Total operating income	28,503	22,949	16,907
PBILDT	3,255	-645	-793
PAT	901	-2,900	-3,067
Overall gearing (times)	6.92	122.74	-
Interest coverage (times)	2.05	-0.36	-0.49

A: Audited UA: Unaudited; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Disclosure of Interest of Independent/Non-Executive Directors of CARE Ratings Ltd.: Not applicable

Disclosure of Interest of Managing Director & CEO: 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: 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-Working capital Term Loan		-	-	FY2029	1425.00	CARE D
Fund-based/Non-fund-based-Short Term		-	-	-	15016.11	CARE D
Non-fund-based-Long Term		-	-	-	600.00	CARE D
Term Loan-Long Term		-	-	FY2035	10,458.89	CARE D
		-	-	Proposed	1500.00	

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	Term Loan-Long Term	LT	11958.89	CARE D	1)CARE BB+; Stable (21-May-24)	-	-	-
2	Fund-based/Non-fund-based-Short Term	ST	15016.11	CARE D	1)CARE A4+ (21-May-24)	-	-	-
3	Non-fund-based-Long Term	LT	600.00	CARE D	1)CARE BB+; Stable (21-May-24)	-	-	-
4	Fund-based - LT-Working capital Term Loan	LT	1425.00	CARE D	1)CARE BB+; Stable (21-May-24)	-	-	-

LT: Long term; ST: Short term; LT/ST: Long term/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-Working capital Term Loan	Simple
2	Fund-based/Non-fund-based-Short Term	Simple
3	Non-fund-based-Long Term	Simple
4	Term Loan-Long Term	Simple

Annexure-5: Lender details

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

Annexure-6: List of all the entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Eastern Investments Limited	Full consolidation	Direct subsidiary with 51% stake

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 for any clarifications.

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About us:

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