

Rashmi Sponge Iron And Power Industries Limited

September 30, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	39.25	CARE BB-; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Downgraded from CARE BB; Stable
Short Term Bank Facilities	10.00	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 July 24, 2023, placed the rating(s) of Rashmi Sponge Iron And Power Industries Limited (RSIPIL) under the 'issuer non-cooperating' category as RSIPIL had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. RSIPIL continues to be non-cooperative despite repeated requests for submission of information through e-mails dated June 08, 2024, June 18, 2024, June 28, 2024 among others.

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).

The ratings assigned to the bank facilities of RSIPIL have been revised on account of non-availability of requisite information.

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers:

Please refer to PR dated [July 24, 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

Rashmi Sponge Iron & Power Industries Limited (RSIPIL) was incorporated in 1995. The company was initially incorporated as JRG Credits & Holdings Pvt Ltd and in 2003 was taken over by Agrawal family and renamed as Rashmi Sponge Iron Pvt Ltd. In 2006, the constitution of the company changed from Private Limited Company to Limited company and renamed as Rashmi Sponge Iron & Power Industries Limited. RSIPIL is currently involved in manufacturing of Sponge Iron, MS Ingots and captive power plant of 8MW (out of which 4MW is WHRB based). Incorporated in 2002, Agrawal Sponge Private Limited (ASPL; erstwhile Agrawal Sponge Limited) was acquired by Singh family from Mr. R.D. Gupta in 2007 and then taken over by Mr. Kailash Chand Agrawal in November 2012. The manufacturing facility of the Group is located in Raipur, Chhattisgarh.

Status of non-cooperation with previous CRA: Brickwork has continued the rating assigned to the bank facilities of RSIPIL into ISSUER NOT COOPERATING category vide press release dated August 13, 2024 on account of its inability to carry out a review in the absence of requisite information from the company.

Acuite has continued the rating assigned to the bank facilities of RSIPIL into ISSUER NOT COOPERATING category vide press release dated January 09, 2024 on account of its inability to carry out a review in the absence of requisite information from the company.

Any other information: Not applicable

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

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

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 and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	39.25	CARE BB-; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC		-	-	-	10.00	CARE A4; ISSUER NOT COOPERATING*

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

Annexure-2: Rating history for 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	39.25	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (24-Jul-23)	1)CARE BB; Stable; ISSUER NOT COOPERATING* (24-Jun-22)	1)CARE BB; Stable; ISSUER NOT COOPERATING* (05-Apr-21)
2	Non-fund-based - ST-BG/LC	ST	10.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (24-Jul-23)	1)CARE A4; ISSUER NOT COOPERATING* (24-Jun-22)	1)CARE A4; ISSUER NOT COOPERATING* (05-Apr-21)

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

LT: Long term; ST: Short term

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

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Lender details

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

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

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