

Rathi Iron & Steel Industries Limited

December 21, 2017

Summary of rated instruments:

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund-based Limits	14.00	14.00	[ICRA]BBB(SO) (Stable); withdrawn
Short-term Non-fund Based Limits	1.00	1.00	[ICRA]A3+(SO); withdrawn
Total	15.00	15.00	

Rating action:

ICRA has withdrawn the long-term rating of [ICRA]BBB(SO) (Stable) (pronounced ICRA triple B structured obligation with a stable outlook)¹ on the Rs. 14.00-crore² long-term fund-based bank facilities and the short-term rating of [ICRA]A3+(SO) (pronounced ICRA A three plus structured obligation) on the Rs. 1.00-crore short-term non-fund based facilities of Rathi Iron & Steel Industries Limited (RISIL).

Rationale

The long-term and the short-term ratings assigned to Rathi Iron & Steel Industries Limited have been withdrawn at the request of the company, based on the no-objection certificate provided by its banker.

Outlook: Stable

ICRA has withdrawn the stable outlook on long-term rating.

Key rating drivers

N.A.

Analytical approach: For arriving at the ratings, ICRA has applied its rating methodologies as indicated below.

Links to applicable criteria:

[Corporate Credit Rating Methodology](#)

[ICRA Policy on Withdrawal and Suspension of Credit Rating](#)

¹ For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications

² 100 lakh = 1 crore = 10 million

About the company:

Rathi Iron & Steel Industries Limited is a closely held public limited company engaged in the manufacturing of thermo mechanically treated (TMT) bars. The company's manufacturing facility is located at the Pithampur Industrial Area in Indore, Madhya Pradesh. The facility has an installed capacity of 1,25,000 tonnes per annum. RISIL was originally promoted by Mr. Raj Kumar Rathi; however, its present parent company, Jaideep Ispat & Alloys Private Limited, acquired 96% stake in the company in February 2012. At present, RISIL manufactures and sells TMT bars under the brand name, 'Moiria Sariya'.

Key financial indicators (Audited)

	FY 2015	FY 2016
Operating Income (Rs. crore)	161.05	106.29
PAT (Rs. crore)	-1.48	0.87
OPBDIT/ OI (%)	0.71%	3.60%
RoCE (%)	0.33%	6.51%
Total Debt/ TNW (times)	0.73	0.78
Total Debt/ OPBDIT (times)	15.29	5.04
Interest Coverage (times)	0.51	2.52
NWC/ OI (%)	17%	29%

Note: Audited financial statements for FY2017 are not available

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

Current Rating (FY2018)					Chronology of Rating History for the past 3 years		
Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating December 2017	Date & Rating in FY2017 July 2016	Date & Rating in FY2016 July 2015	Date & Rating in FY2015 August 2014
1 Cash Credit	Long Term	14.00	-	[ICRA]BBB (SO) (Stable) Withdrawn	[ICRA]BBB (SO) (Stable)	[ICRA]BBB- (SO) (Stable)	[ICRA]BB+ (Stable)
2 Letter of Credit	Short Term	1.00	-	[ICRA]A3+ (SO) Withdrawn	[ICRA]A3+ (SO)	[ICRA]A3 (SO)	[ICRA]A4+

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	14.00	[ICRA]BBB(SO) (Stable); withdrawn
NA	Letter of Credit	NA	NA	NA	1.00	[ICRA]A3+ (SO); withdrawn

Source: RISIL.

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About ICRA Limited:

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