



Press Release

RKSK Steel India Private Limited

November 03, 2020

Rating

Instrument / Facility	Amount (Rs. Crore)	Rating	Rating Action
Long Term Bank Facilities	25.00	IVR BB+; ISSUER NOT COOPERATING* (IVR Double B Plus; Issuer Not Cooperating)	Revised from IVR BBB-/Stable (IVR Triple B Minus with Stable outlook)
Total	25.00 (Rs. Twenty-Five Crore Only)		

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

Details of Facility are in Annexure 1

Detailed Rationale

The rating revision is because of lack of adequate information regarding RKSK Steel India Private Limited's performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide E-mail communications dated August 22, 2020, August 26, 2020, September 26, 2020 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted all the essential details.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long-term and short-term ratings for the bank loan facilities of RKSK Steel India Private Limited (RUPL) aggregating to Rs.25.00 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as "IVR BB+; Issuer Not Co-operating; Based on best available information



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(IVR Double B Plus: Issuer Not Co-operating; Based on best available information)". Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

Analytical Approach & Applicable Criteria:

Standalone

Guidelines on what constitutes Non-Cooperation by clients

Rating Methodology for Infrastructure companies

Financial Ratios & Interpretation (Non-Financial Sector)

About the Company

RKSK was incorporated in October 1985 in Raipur (Chhattisgarh) is a part of the Rama group formed by the Goyal family of Raipur under the leadership of Mr. Ram Kumar Goyal having more than three decades of experience in the iron and steel industry along with his sons, Mr Sanjay Goyal and Mr. Naresh Goyal. RKSK is engaged in trading of steel products in Raipur.

Currently, Mr. Sanjay Goel (Director) and Mr. Naresh Goel (Director) with more than two decades of experience in the iron and steel industry is at the helm of affairs of the company.

Financials (Standalone)

(Rs. Crore)

For the year ended* / As On	31-03-2018	31-03-2019
	Audited	Audited
Total Operating Income	334.25	335.42
EBITDA	2.81	2.68
PAT	1.42	1.97
Total Debt	23.09	30.64
Tangible Net Worth	65.56	67.53
EBITDA Margin %	0.84	0.80
PAT Margin %	0.42	0.58
Overall Geating (x)	0.35	0.45

**Based on Infomerics classification*

Status of non-cooperation with previous CRA: There is INC from CARE Ratings and Brickworks Ratings.

Any other information: Nil



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Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2020-21)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18
1.	Cash Credit	Long Term	25.00	IVR BB+; ISSUER NOT COOPERATING*	IVR BBB-/Stable (Sept 16, 2019)	-	-

* Issuer did not cooperate; based on best available information

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Firm's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities



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whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Fund Based Limits- Cash Credit	-	-	-	25.00	IVR BB+; ISSUER NOT COOPERATING*

* Issuer did not cooperate; based on best available information