



## Press Release

### Rayalaseema Steel Re Rolling Mills Private Limited

November 15, 2023

#### Ratings

Instrument / Facility	Amount (Rs. Crore)	Ratings*	Rating Action
Long-Term Bank Facilities (Including Proposed)	45.75	IVR BB-; Negative, ISSUER NOT COOPERATING* (IVR Double B Minus with Negative Outlook, ISSUER NOT COOPERATING)	Downgraded from IVR BB/ Stable (IVR Double B with Stable Outlook) and moved to Issuer Not Cooperating category
Short-Term Bank Facilities	3.00	A4 ISSUER NOT COOPERATING* (IVR A Four ISSUER NOT COOPERATING)	Reaffirmed and moved to Issuer Not Cooperating category
<b>Total</b>	<b>48.75 (INR Forty-eight crore and seventy-five lakhs only)</b>		

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

**Details of Facility are in Annexure 1**

#### Detailed Rationale

The revision in the ratings assigned to the bank facilities is because of non-cooperation by the entity and lack of adequate information regarding Rayalaseema Steel Re Rolling Mills Private Limited (RSRM)'s performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy. The negative outlook as assigned due to information availability risk.

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 entity.

**Non-cooperation by Issuer**



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Infomerics has been regularly following up with the entity to provide the required data to monitor its assigned rating to the bank facilities, vide E-mail communications dated September 20, 2023, September 29, 2023, October 14, 2023, October 26, 2023, and October 31, 2023 concurrently over several phone calls. However, despite repeated requests by Infomerics, the entity's management has not submitted all the essential details required for detailed review of the assigned ratings.

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 bank facilities of Rayalaseema Steel Rolling Mills Private Limited aggregating to Rs.48.75 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the long-term rating be noted as 'IVR BB-/Negative; ISSUER NOT COOPERATING', and the short-term rating be noted as 'IVR A4, ISSUER NOT COOPERATING' based on best available information.

**Analytical Approach & Applicable Criteria:** Standalone

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Rating Methodology for Manufacturing companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

**Liquidity:** Unable to comment due to lack of adequate information.

### **About the Company**

RSRM is a Hyderabad based company promoted by Mr. Kanhaiya Agarwal & Mr. Balram Agarwal. The company was incorporated on November 01, 2007, and it is engaged in manufacturing and sales of steel products such as angles, channels and beams under the brand 'RSRM'. The company has its manufacturing facilities located at Nandigaon Village, Kothur Mandal with an annual production capacity of 60,000 Metric Tons (MT).

**Financials (Standalone): Latest financials not available**

(Rs. crore)		
For the year ended* / As on	31-03-2021	31-03-2022
	<b>Audited</b>	<b>Audited</b>
Total Operating income	102.81	152.92



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EBIDTA	5.37	5.20
PAT	0.25	0.58
Total Debt	40.85	36.49
Tangible Net Worth	23.60	23.58
EBDITA Margin (%)	5.22	3.40
PAT Margin (%)	0.24	0.38
Overall Gearing Ratio (x)	1.73	1.55
Interest Coverage Ratio (x)	1.12	1.22

\*Classification as per Infomerics' standards.

### Status of non-cooperation with previous CRA:

CARE Edge ratings vide its press release dated April 14, 2023 kept the rating under issuer not cooperating category due to non-submission of information by the company.

CRISIL vide its press release dated January 06, 2023 maintained the rating in issuer not cooperating category due to non-submission of information by the company.

**Any other information:** Nil

### Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (Sep 20, 2022)	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
1.	Cash Credit	LT	27.00	IVR BB-; Negative; ISSUER NOT COOPERATING*	IVR BB; Stable	-	-
2.	GECL	LT	3.75	IVR BB-; Negative; ISSUER NOT COOPERATING*	IVR BB; Stable	-	-
3.	Letter of Credit	ST	3.00	IVR A4 ISSUER NOT COOPERATING*	IVR A4	-	-
4.	Proposed	LT	15.00	IVR BB-; Negative; ISSUER NOT COOPERATING*	IVR BB; Stable	-	-



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### **Name and Contact Details of the Rating Analyst:**

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### **About Infomerics:**

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit [www.infomerics.com](http://www.infomerics.com).

**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 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 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



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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 Limits – Cash Credit	-	-	-	27.00	IVR BB-; Negative; ISSUER NOT COOPERATING*
Long Term Limits – GECL	-	-	Aug 2024	3.75	IVR BB-; Negative; ISSUER NOT COOPERATING*
Short Term Non-Fund Based Limits – LC	-	-	-	3.00	IVR A4, ISSUER NOT COOPERATING*
Long Term Limits – Proposed	-	-	-	15.00	IVR BB-; Negative; ISSUER NOT COOPERATING*

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

**Annexure 2: Facility wise lender details:** Not Available

**Annexure 3: List of companies considered for consolidated analysis:** Not Applicable

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities:** Not Applicable

**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 <https://www.infomerics.com>