



Press Release

Royalaseema Steel Re Rolling Mills Private Limited

December 31, 2024

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings*	Previous Ratings*	Rating Action	Complexity Indicator
Long Term Bank Facilities	45.75	IVR B+/ Negative; ISSUER NOT COOPERATING (IVR Single B Plus with Negative outlook, ISSUER NOT COOPERATING)	IVR BB-/ Negative, ISSUER NOT COOPERATING (IVR Double B Minus with Negative outlook, ISSUER NOT COOPERATING)	Downgraded and maintained in ISSUER NOT COOPERATING category	Simple
Short Term Bank Facility	3.00	IVR A4; ISSUER NOT COOPERATING (IVR A Four; ISSUER NOT COOPERATING)	IVR A4; ISSUER NOT COOPERATING (IVR A Four; ISSUER NOT COOPERATING)	Reaffirmed and maintained in ISSUER NOT COOPERATING category	Simple
Total	48.75 (INR Forty- Eight Crore and Seventy- Five Lakh only)				

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

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The downgrade in the long-term rating and reaffirmation of the short-term rating assigned to the bank facilities of Royalaseema Steel Re Rolling Mills Private Limited (RSRMPL) is because of continuous non-cooperation by the company and lack of adequate information regarding RSRMPL'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 outlook continues to remain negative 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 company.



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Non-cooperation by Issuer

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 Nov 6, 2024, Dec 10, 2024, Dec 13, 2024 and Dec 17, 2024 and 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.

Analytical Approach: Standalone.

Applicable Criteria:

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

[Rating Methodology for Manufacturing companies](#)

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

[Criteria of assigning Rating Outlook](#)

[Policy on default recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

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

About the Company

RSRMPL 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).



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Financials (Standalone): Latest financials are not available

(Rs. crore)

For the year ended* / As On	31-03-2021	31-03-2022
	Audited	Audited
Total Operating Income	102.81	152.92
EBITDA	5.37	5.20
PAT	0.25	0.58
Total Debt	40.85	36.49
Tangible Net worth	23.60	23.58
EBITDA Margin (%)	5.22	3.40
PAT Margin (%)	0.24	0.38
Overall Gearing Ratio	1.73	1.55
Interest Coverage Ratio	1.12	1.22

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA:

Crisil Ratings has maintained the rating of RSRMPL in Issuer Not Cooperating category as the issuer had remained non cooperative despite consistent follow ups as per the Press Release dated March 18, 2024.

Care Edge Ratings has maintained the rating of RSRMPL in Issuer Not Cooperating category as the entity had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement despite repeated requests as per Press Release dated June 25, 2024

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					Nov 15, 2023	Sep 20, 2022	-
1.	Cash Credit	Long Term	27.00	IVR B+/ Negative; (INC)*	IVR BB-/ Negative; (INC)*	IVR BB/ Stable	-
2.	GECL	Long Term	3.75	IVR B+/ Negative; (INC)*	IVR BB-/ Negative; (INC)*	IVR BB/ Stable	-
3.	Letter of Credit	Short Term	3.00	IVR A4; (INC)*	IVR A4; (INC)*	IVR A4	-



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Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					Nov 15, 2023	Sep 20, 2022	-
4.	Proposed facility	Long Term	15.00	IVR B+/- Negative; (INC)*	IVR BB/- Negative; (INC)*	IVR BB/ Stable	-

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

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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.



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For more information and definition of ratings please visit 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 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: Instrument/Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	-	27.00	IVR B+/ Negative; ISSUER NOT COOPERATING*
GECL	-	-	-	-	3.75	IVR B+/ Negative; ISSUER NOT COOPERATING*
Letter of Credit	-	-	-	-	3.00	IVR A4; ISSUER NOT COOPERATING*
Proposed facility					15.00	IVR B+/ Negative; ISSUER NOT COOPERATING*

* Issuer did not cooperate; based on best available information

Annexure 2: Facility wise lender details: Not Available

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: 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 www.infomerics.com.