



Press Release

Shree Ramdoot Rollers Private Limited

February 22, 2024

Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	112.98	IVR BBB-; Negative; ISSUER NOT COOPERATING * (IVR Triple B Minus with Negative outlook; ISSUER NOT COOPERATING)	Revised from IVR BBB; Stable (IVR Triple B with Stable Outlook) and moved to ISSUER NOT COOPERATING category with negative outlook	Simple
Short Term Bank Facilities	19.02	IVR A3; ISSUER NOT COOPERATING (IVR A Three; ISSUER NOT COOPERATING)	Revised from IVR A3+ (IVR A Three Plus) and moved to ISSUER NOT COOPERATING	Simple
Total	132.00 (Rupees One Hundred and Thirty-Two Crore)			

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

Details of Facility are in Annexure 1

Detailed Rationale

The ratings assigned to the bank facilities of Shree Ramdoot Rollers Pvt Ltd (SRRPL) continues to consider the common promoters and operational & financial linkages between SRRPL and its group concern, Rajshri Iron Industries Pvt Ltd. Infomerics Ratings has taken a combined view of these entities referred together as Rajshri Group. The revision in the rating assigned to the bank facilities of Shree Ramdoot Rollers Private Limited's with negative outlook is because of non-cooperation by the company despite repeated follow ups and lack of adequate information leading to information availability risk and hence uncertainty around its credit risk. Infomerics Ratings assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy. The negative outlook is 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 company.



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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 January 06, 2024, January 11, 2024, January 18, 2024, January 22, 2024, and January 25, 2024, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company'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 ratings assigned to the bank loan facilities aggregating to Rs. 132.00 crore of Shree Ramdoot Rollers Private Limited shall be moved to 'ISSUER NOT COOPERATING' category by Infomerics and the long-term rating will be noted as IVR BBB-; Negative; ISSUER NOT COOPERATING; Based on best available information (IVR Triple B Minus with Negative outlook; Issuer Not Co-operating; Based on best available information) and the short term will be rated as IVR A3; ISSUER NOT COOPERATING Based on best available information (IVR A Three; Issuer Not Cooperating; Based on best available information).

Analytical Approach: Combined. For arriving at the ratings, Infomerics has combined the business and financial risk profiles of Rajshri Iron Industries Pvt Ltd & Shree Ramdoot Rollers Pvt. Ltd, collectively referred to as Rajshri group hereafter. This is because these companies are under control of same promoters with common directors and have business & financial linkages. Further, SRRPL holds 24.96% shares of RIPL. List of entities considered for consolidated analysis is in **Annexure 3**.

Applicable Criteria

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

[Criteria of assigning Rating outlook](#)

[Rating Methodology for Manufacturing Companies](#)

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

[Policy of default recognition](#)

[Criteria on Complexity](#)

[Consolidation of companies](#)

Liquidity: Unable to comment due to non-availability of information despite repeated follow ups.



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About the group and the Company

Rajshri group is engaged in manufacturing of sponge iron and billets. Sponge iron is a major raw material for manufacturing of billet. Hence, presence of sponge iron plant in RIPL operates as backward integration for SRRPL which is engaged in manufacturing of billets.

Incorporated in April 2008, West Bengal-based, Shree Ramdoot Rollers Pvt. Ltd. (SRRPL, erstwhile Magnum Tradelink Pvt Ltd) was promoted by Mr. Praveen Todi. SRRPL was previously engaged in trading of iron & steel products. Thereafter, it has acquired SMS Plant including factory land admeasuring ~6.85 acres along with factory building, sheds and Plant & Machinery of M/s. Capricorn Ispat Udyog Private Limited through bid process held by State Bank of India on August 14, 2018. SRRPL has commenced manufacturing of SMS- MS Billets/ Ingots with an installed capacity of 51700 MT from June 2020. Further, the company has set up 2 induction furnace (20 MT each) and rolling mill (148800 MTPA). With this investment, the installed capacity of the induction furnace has increased from 51700 MTPA to 184800 MTPA.

Financials (Combined)

(Rs. crore)

For the year ended* / As On	31-03-2021	31-03-2022
	Combined	Combined
Total Operating Income	209.55	306.32
EBITDA	12.91	22.03
PAT	5.55	9.94
Total Debt	42.81	89.72
Tangible Net worth	41.22	73.66
Adjusted Tangible Net worth	57.62	93.40
EBITDA Margin (%)	6.16	7.19
PAT Margin (%)	2.64	3.24
Overall Gearing Ratio (x)	0.74	0.73
Interest Coverage Ratio (x)	6.00	3.99

**Classification as per Infomerics' standards.*

Financials (Standalone)

(Rs. crore)

For the year ended* / As On	31-03-2022	31-03-2022
	Audited	Audited
Total Operating Income	129.81	191.19
EBITDA	5.14	11.40
PAT	2.76	4.74
Total Debt	24.09	58.59
Tangible Net worth	15.00	42.24
Adjusted Tangible Net worth**	26.23	56.81



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For the year ended* / As On	31-03-2022	31-03-2022
EBITDA Margin (%)	3.96	5.96
PAT Margin (%)	2.12	2.47
Overall Gearing Ratio (x)	0.92	0.65
Interest Coverage Ratio (x)	14.54	3.07

*Classification as per Infomerics' standards.

** After adjusting investment in group companies.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Rating (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding. (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (December 26, 2022)	Date(s) & Rating(s) assigned in 2021-22 (October 29, 2021)	Date(s) & Rating(s) assigned in 2021-22 (October 18, 2021)
1.	Cash Credit	Long Term	80.00	IVR BBB-; Negative; ISSUER NOT COOPERATING	IVR BBB /Stable	IVR BBB-/ Stable	IVR BBB-/ Stable
2.	Term Loan	Long Term	32.98	IVR BBB-; Negative; ISSUER NOT COOPERATING	IVR BBB /Stable	IVR BBB-/ Stable	IVR BBB-/ Stable
3.	Bank Guarantee	Short Term	19.02	IVR A3; ISSUER NOT COOPERATING	IVR A3+	IVR A3	IVR A3

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

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: Details of Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	80.00	IVR BBB-; Negative; ISSUER NOT COOPERATING*



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Term Loan	-	-	March 2029	32.98	IVR BBB-; Negative; ISSUER NOT COOPERATING*
Bank Guarantee	-	-	-	18.00	IVR A3; ISSUER NOT COOPERATING*
Bank Guarantee – Proposed	-	-	-	1.02	IVR A3; ISSUER NOT COOPERATING*

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

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-RamdootRollers-feb24.pdf>

Annexure 3: List of companies considered for consolidated analysis

Sl. No.	Name of the entities	Consolidation Approach
1.	Rajshri Iron Industries Pvt Ltd	Full Consolidation
2.	Shree Ramdoot Rollers Pvt Ltd	Full Consolidation

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/>