



Press Release

Scan Steels Limited

April 01, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	106.93	IVR BB+/ Negative ISSUER NOT COOPERATING* (IVR Double B Plus with Negative Outlook Issuer Not Cooperating)	IVR BBB/ Negative ISSUER NOT COOPERATING* (IVR Triple B with Negative Outlook Issuer Not Cooperating)	Rating downgraded and continues to be in ISSUER NOT COOPERATING category	Simple
Short Term Bank Facilities	4.00	IVR A4+ ISSUER NOT COOPERATING* (IVR A Four Plus Issuer Not Cooperating)	IVR A3+ ISSUER NOT COOPERATING* (IVR A Three Plus Issuer Not Cooperating)	Rating downgraded and continues to be in ISSUER NOT COOPERATING category	Simple
Total	110.93 (INR One Hundred Ten Crore and Ninety Three 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

Infomerics has downgraded the rating assigned to the bank facilities of Scan Steels Limited (SSL) and continued the rating in the ISSUER NOT COOPERATING category because of lack of adequate information and NDS for rating review from the company 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 outlook remains 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 company to provide the required data & NDS to monitor its assigned rating to the bank facility, vide mail communications dated March 11, 2025, March 13, 2025, March 17, 2025 and March 18, 2025 and concurrently over phone calls. However, despite repeated requests by Infomerics Ratings, the entity's management has not submitted all the essential details and NDS 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 Ratings has to assign the rating based on the best available information.

Analytical Approach: Standalone

Applicable Criteria:

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

[Criteria of assigning Rating Outlook](#)

[Rating Methodology for Manufacturing Companies.](#)

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

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

[Policy on Default Recognition](#)

About the company

Scan Steels Ltd (SSL) was incorporated on 11th December 1990 as a private limited company by Shri Sawarmal Gadodia in a small town called Rajgangpur near Rourkela in the state of Odisha. The company at its early stage started a rolling mill and induction furnace which is now a complete integrated steel manufacturing unit having its own captive power plants. Currently the company is engaged in making steel products catering mainly to the mid corporate sector. The company's key products at present are Shrishti TMT bars, MS billets and ingots and sponge iron. Shrishti TMT bar is a USP product with a unique chemical composition. The product has a registered trademark of Scan Steels Limited. The company has one manufacturing facility located at Rourkela in Odisha.



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Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	1090.78	965.41
EBITDA	49.00	47.53
PAT	15.32	17.73
Total Debt	112.27	118.92
Tangible Net Worth	365.98	399.59
EBITDA Margin (%)	4.49	4.92
PAT Margin (%)	1.40	1.83
Overall Gearing Ratio (x)	0.31	0.30
Interest Coverage (x)	2.49	4.76

*Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (2025-26)			Rating History for the past 3 years			
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	
					October 07, 2024	September 22, 2023	November 10, 2022	July 05, 2022
1	Term Loan	Long Term	7.93	IVR BB+/ Negative ISSUER NOT COOPERATING *	IVR BBB/ Negative ISSUER NOT COOPERATING *	IVR BBB+/ Negative	IVR BBB+/ Negative	IVR BBB+/ Stable
2	Cash Credit	Long Term	99.00	IVR BB+/ Negative ISSUER NOT COOPERATING *	IVR BBB/ Negative ISSUER NOT COOPERATING *	IVR BBB+/ Negative	IVR BBB+/ Negative	IVR BBB+/ Negative
3	Bank Guarantee	Short Term	4.00	IVR A4+ISSUER NOT COOPERATING *	IVR A3+ISSUER NOT COOPERATING *	IVR A2	IVR A2	IVR A2

*Issuer did not cooperate; based on best available information



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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) (formerly Infomerics Valuation and Rating Pvt Ltd) 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 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.



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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
Term Loan 1	-	-	-	December 2027	7.93	IVR BB+/ Negative ISSUER NOT COOPERATING*
Cash Credit 1	-	-	-	-	54.00	IVR BB+/ Negative ISSUER NOT COOPERATING*
Cash Credit 2	-	-	-	-	45.00	IVR BB+/ Negative ISSUER NOT COOPERATING*
Bank Guarantee	-	-	-	-	4.00	IVR A4+ ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information

Annexure 2: Facility wise lender details: Not Applicable

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.