



## Press Release

### Anindita Steels Limited

December 1, 2020

#### Ratings

Instrument / Facility	Amount (Rs. Crore)	Ratings	Rating Action
Long Term Bank Facilities - Cash Credit	25.00	IVR BB; ISSUER NOT COOPERATING (IVR Double B; ISSUER NOT COOPERATING) *	Revised from IVR BB+; Stable; ISSUER NOT COOPERATING (IVR Double B Plus with stable outlook; ISSUER NOT COOPERATING) *
Long Term Bank Facilities – Cash Credit (Proposed)	1.68	IVR BB; ISSUER NOT COOPERATING (IVR Double B; ISSUER NOT COOPERATING) *	Revised from IVR BB+; Stable; ISSUER NOT COOPERATING (IVR Double B Plus with stable outlook; ISSUER NOT COOPERATING) *
Short Term Bank Facilities – Letter of Credit	1.60	IVR A4; ISSUER NOT COOPERATING (IVR A Four; ISSUER NOT COOPERATING) *	Revised from IVR A4+; ISSUER NOT COOPERATING (IVR A Four Plus; ISSUER NOT COOPERATING) *
Short Term Bank Facilities – Bank Guarantee	2.32	IVR A4; ISSUER NOT COOPERATING (IVR A Four; ISSUER NOT COOPERATING) *	Revised from IVR A4+; ISSUER NOT COOPERATING (IVR A Four Plus; ISSUER NOT COOPERATING) *
<b>Total</b>	<b>30.60</b>		

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

#### Details of Facility are in Annexure 1

#### Detailed Rationale

Infomerics, vide press release dated December 24, 2019, had revised the rating of Anindita Steels Limited (ASL) under the "ISSUER NOT COOPERATING" category as the company had failed to provide information for monitoring of its assigned rating to the bank facilities. Further, Infomerics has been consistently following up with ASL for obtaining information through emails dated November 16th, 2020; November 19th, 2020 and November 23rd, 2020. However, the issuer has remained non cooperative.



## Press Release

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.

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, despite the downgrade.

### **Detailed Key Rating Drivers**

Annual review for ISSUER NOT COOPERATING based on best available information.

### **Analytical Approach & Applicable Criteria**

Guidelines on what constitutes Non-Cooperation by clients

Rating Methodology for Manufacturing Companies

Financial Ratios & Interpretation – (Non-financial Sector)

### **About the Company**

Anindita Steels Limited (ASL) was originally incorporated in November, 1995 in the name of Anindita Trades & Investments Limited by Shri Subhash Chand Tulsyan and Shri Deepak Rungta. The company remained dormant for few years and subsequently entered into a Memorandum of Understanding (MOU) with the Govt. of Jharkhand in 2006 for setting up an Integrated Mini Steel Plant near Ramgarh, at Hazaribagh, Jharkhand. In 2006, the company started manufacturing of sponge iron. Currently, the company is in manufacturing of sponge iron only with an aggregate capacity of 1,20,000 MTPA.

The company has an iron ore mine in Jharkhand which was allotted in 2007 for 30 years. The mining operation was started in April, 2013. Currently, the mine is used for captive purpose (about 30%-40% of total requirement), though the same is not sufficient to meet its requirement due to the low grade of iron ore.

The Board of Directors of the company comprises five members, including the two directors. The day-to-day affairs of the company are looked after by Shri Deepak Rungta, MD



## Press Release

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

### Financials

For the year ended / As on	31-03-17	31-03-18	31-03-19
	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>
Total Operating Income	83.43	85.40	150.69
EBITDA	6.56	8.11	10.40
PAT	0.58	1.19	2.32
Total Debt	34.07	36.97	33.72
Tangible Net Worth	34.51	35.58	38.09
<b>Ratios</b>			
EBITDA Margin	7.86	9.50	6.90
PAT Margin	0.69	1.38	1.54
Overall Gearing Ratio	0.99	0.77	0.89

\*Financials of 2018 & 2019 have been obtained from MCA website

### 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	26.68 (including proposed cash credit of Rs. 1.68 Crore)	IVR BB; ISSUER NOT COOPERATING	IVR BB+; Stable; ISSUER NOT COOPERATING (Dec 24, 2019)	IVR BBB-; Stable (Oct 22, 2018)	-



## Press Release

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
2.	Letter of Credit	Short Term	1.60	IVR A4; ISSUER NOT COOPERATING	IVR A4+; ISSUER NOT COOPERATING (Dec 24, 2019)	IVR A3 (Oct 22, 2018)	-
3	Bank Guarantee	Short Term	2.32	IVR A4; ISSUER NOT COOPERATING	IVR A4+; ISSUER NOT COOPERATING (Dec 24, 2019)	IVR A3 (Oct 22, 2018)	-

\* 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](http://www.infomerics.com).

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

Name: Mr. Tamal Bagchi

Tel: (033) 46022266

Email: [tamal.bagchi@infomerics.com](mailto:tamal.bagchi@infomerics.com)

**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. Company'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



## Press Release

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 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 Facilities - Cash Credit	-	-	-	26.68	IVR BB; ISSUER NOT COOPERATING
Short term Non-Fund Based Facilities – LC/BG	-	-	-	3.92	IVR A4; ISSUER NOT COOPERATING

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