

November 22, 2021

ARS Steels and Alloy International Private Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund Based/ CC	29.00	29.00	[ICRA]BBB (Stable); withdrawn
Short-term Non-Fund Based	106.00	106.00	[ICRA]A2; withdrawn
Total	135.00	135.00	

*Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the ratings assigned to Bank facilities of ARS Steels and Alloy International Private Limited at the request of the company, No Objection Certificate from the banker and in accordance with ICRA's policy on withdrawal and suspension. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The Key rating drivers, Liquidity position, Rating sensitivities, Key financial indicators have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here.](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA Policy on Withdrawal of Credit Ratings Corporate Credit Rating Methodology Rating Methodology for entities in the Ferrous Metal Industry
Parent/Group Support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Incorporated in 2013, ARS Steels manufactures TMT bars, and has a capacity to produce 1,80,000 tonnes per annum (TPA). It has facilities to produce billets (1,44,000 TPA), which are used for captive consumption. The company's manufacturing units are located near Gummidipoondi, Tamil Nadu. Promoted by Mr. Ashwani Kumar Bhatia and Mr. Rajesh Bhatia, ARS Steels sells its products to the housing segment of the construction industry through its dealer network under the brands, TRUSTEEL and PIXON. ARS Steels procures power from its Group company – ARS Energy Private Limited – through a group captive scheme. ARS Energy Private Limited operates a 60-MW coal-based group captive power plant in Gummidipoondi, near Chennai.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding as on Dec 31, 2020 (Rs. crore)	Date & Rating in	Date & Rating in FY2021	Date & Rating in FY2020		Date & Rating in FY2019
					22-Nov-2021	25-Feb-2021	30-Jul-2020	9-Dec-2019	9-Nov-2018
1	Cash Credit	Long Term	29.00	10.95	[ICRA]BBB (Stable); withdrawn	[ICRA]BBB (Stable)	[ICRA]BBB (Negative)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
2	Letter of Credit	Short Term	106.00	13.62	[ICRA]A2; withdrawn	[ICRA]A2	[ICRA]A2	[ICRA]A2	[ICRA]A2
3	Term Loan	Long Term	0.00	-	-	[ICRA]BBB (Stable)	[ICRA]BBB (Negative)	[ICRA]BBB (Stable)	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Short Term – Non Fund based	Very Simple
Long Term – Fund based – Cash Credit	Simple

The complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	29.00	[ICRA]BBB (Stable); withdrawn
NA	Non-Fund based	-	-	-	106.00	[ICRA]A2; withdrawn

Source: Company

Annexure-2: List of entities considered for consolidated analysis

Company Name	Consolidation Approach
Not Applicable	-

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