

February 24, 2023

Shri Bajrang Steel Corporate Limited: Rating Withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund-based TL	131.25	131.25	[ICRA]A-(CE)(Stable); Withdrawn
Total	131.25	131.25	
Unsupported rating without explicit support			[ICRA]BBB+

*Instrument details are provided in Annexure-1. Note: The (CE) suffix mentioned alongside the rating symbol indicates that the rated instrument/facility is backed by some form of explicit credit enhancement. This rating is specific to the rated instrument/facility, its terms and its structure and does not represent ICRA's opinion on the general credit quality of the entity concerned. The last row in the table above also captures ICRA's opinion on the rating without factoring in the explicit credit enhancement

Rationale

ICRA has withdrawn the rating assigned to the bank facilities of Shri Bajrang Steel Corporate Limited at the request of the company and based on the receipt of the 'No Objection Certificate' from the lenders for the withdrawal of rating and in accordance with ICRA's policy on withdrawal of credit ratings. ICRA is withdrawing the rating and it 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position, Rating sensitivities, Key financial indicators have not been captured as the rated instruments are being withdrawn.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 Solar Power Producers Rating Approach – Consolidation Rating Approach – Implicit Support from Parent or Group Approach for rating debt instruments backend by third-party explicit support
Parent/Group support	The assigned rating is based on unconditional, irrevocable and continuing corporate guarantee extended by Shri Bajrang Power And Ispat Limited, SBSCIL's parent company for the rated bank facility
Consolidation/Standalone	Standalone

About the company

The company, incorporated in November 2020, is a 100% subsidiary of Shri Bajrang Power and Ispat Limited (SBPIL). It is developing a greenfield solar power plant (SPP) with a capacity of 50 MW at Kaudiya and Bhaismuda villages, Nawagarh tehsil in Bemetara district of Chhattisgarh, India. The company has signed a 25-year PPA with SBPIL for supplying its entire power generation from the SPP. As per the management, the plant is scheduled to commence its commercial operations from September 2022.

About the Guarantor (SBPIL)

Set up in 2002 by Raipur-based Goel family, SBPIL has an integrated steel plant with a captive power plant located at Urla Industrial Complex, Raipur, Chhattisgarh. The company is promoted by Mr. Suresh Goel, Mr. Rajendra Goel, Mr. Narendra Goel and Mr. Anand Goel. The promoters have more than three decades of experience in the steel industry.

The company has various divisions including sponge iron, billet, thermo-mechanically treated bar (TMT), waste heat recovery boiler (WHRB) for power generation, hard bright (HB) wire, iron ore beneficiation, pellet and captive power plant (coal and biomass based), and tubular section mill for ERW pipes. The company utilises captive iron mine with an approval to mine 1.2 MTPA and manganese ore mines to manufacture intermediate and long steel products such as TMT bars, ERW pipes, wire rods, HB wires including binding wires, ferro alloys, steel billets, iron pellets and sponge iron.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2023)				Chronology of rating history for the past 3 years			
	Type	Amount rated (Rs. crore)	Amount outstanding (Rs. crore)	Date & rating in FY2023		Date & rating in FY2022	Date & rating in FY2021	Date & rating in FY2020
				Feb 24, 2023	Jun 13, 2022			
1 Term Loans	Long- Term	131.25	-	[ICRA]A- (CE)(Stable); Withdrawn	[ICRA]A- (CE)(Stable)	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term Fund-based TL	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 are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN No	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. Crore)	Current Rating and Outlook
NA	Term Loan	Dec 13, 2021	6.75%	FY2032	131.25	[ICRA]A- (CE)(Stable); Withdrawn

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

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Branches



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