

December 07, 2023

Tata Steel Long Products Limited: Rating withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Commercial Paper Programme	1500.00	1500.00	[ICRA]A1+; Removed from Rating Watch with Developing Implications and simultaneously Rating Withdrawn
Total	1500.00	1500.00	

*Instrument details are provided in Annexure-I

Rationale

ICRA has removed the Rating Watch with Developing Implications and simultaneously withdrawn the short-term rating assigned to the commercial paper facilities of Tata Steel Long Products Limited (TSLPL), post its amalgamation into Tata Steel Limited (rated at [ICRA]A1+), in accordance with ICRA's withdrawal policy. There is no amount outstanding against the rated instruments. ICRA has not reviewed the rating at the time of withdrawal, as the company now ceases to exist.

The Key Rating Drivers, Liquidity Position, Rating Sensitivities and Key Financial Indicators have not been captured as the rated instruments are being withdrawn.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	Corporate Credit Rating Methodology Policy on withdrawal of Credit Ratings Rating Methodology for Entities in the Ferrous Metals Industry
Parent/Group support	Parent Company: Tata Steel Limited (TSL) The rating had factored in TSL's willingness to extend financial support to TSLPL, should there be a need, given its strategic importance to the Tata Steel Group, and out of its need to protect its reputation.
Consolidation/Standalone	ICRA had considered the consolidated financials of TSLPL. As on March 31, 2023, the company had one subsidiary - Neelachal Ispat Nigam Limited (NINL).

About the company

Tata Steel Long Products Limited (TSLPL) was originally set up as a joint venture between Tata Steel Limited (TSL) and Industrial Promotion & Investment Corporation of Orissa Limited in 1982. TSLPL was a 74.91% subsidiary of TSL. The company is one of the early entrants in the domestic sponge iron industry, with a plant in Keonjhar district of Odisha having an installed capacity of 4,65,000 mtpa. In April 2019, through a slump sale by Usha Martin Limited, TSLPL acquired the former's 1-mtpa integrated alloy steel plant in Jamshedpur which manufactures alloy/high carbon steel sold to the automotive, tractors and other agriculture equipment, lifting and excavation, general engineering, railways, construction (reinforcement), and power (transmission and distribution) sectors. On January 31, 2022, TSLPL was declared as the winning bidder for the acquisition of NINL's 1-mtpa steel plant located at Kalinganagar, in Jajpur, Odisha. The acquisition was completed officially on July 4, 2022.

TSLPL has been amalgamated into Tata Steel Limited, effective November 15, 2023, after receiving necessary regulatory approvals.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2024)					Chronology of Rating History for the past 3 years				
		Type	Amount Rated (Rs. crore)	Amount Outstanding as of Mar 31, 2023 (Rs. crore)	Date & Rating on		Date & Rating in FY2023	Date & Rating in FY2022		Date & Rating in FY2021	
					Dec 07, 2023	May 11, 2023	Oct 4, 2022	Feb 14, 2022	Feb 9, 2022	Feb 26, 2021	Nov 24, 2020
1	Commercial paper programme	Short-term	1500.00	0.00	[ICRA]A1+; Withdrawn	[ICRA]A1+; Rating watch with developing implications	[ICRA]A1+; Rating watch with developing implications	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

Complexity level of the rated instruments

Instrument	Complexity Indicator
Commercial Paper	Very 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 / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
Not placed	Commercial Paper	-	-	-	1500.00	[ICRA]A1+; Withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis:

Company Name	Ownership	Consolidation Approach
Neelachal Ispat Nigam Limited	92.68%	Full consolidation

Source: Company

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