

May 21, 2024

Sical Iron ore Terminals Limited: Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	40.00	40.00	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term-Fund Based-Term Loan	500.00	500.00	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term-Non Fund Based-Others	60.00	60.00	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term-Interchangeable	(175.00)	(175.00)	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Short Term-Interchangeable	(175.00)	(175.00)	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Total	600.00	600.00	

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

[^]Instrument details are provided in Annexure-I

Rationale

ICRA has kept the Long-Term and Short-Term ratings of Sical Iron ore Terminals Limited in the 'Issuer Not Cooperating' category. The ratings are denoted as "[ICRA]D; ISSUER NOT COOPERATING/[ICRA]D; ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with Sical Iron ore Terminals Limited, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology Policy on Default Recognition Rating Methodology- Ports
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

SIOTL was incorporated as a special purpose vehicle in September 2006 by the consortium of SLL and L&T Infrastructure Development Projects Limited (L&T IDPL). A concession agreement (CA) was signed between SIOTL and Kamarajar Port Limited (KPL, erstwhile Ennore Port Limited) on September 23, 2006, to implement an iron ore terminal at Ennore Port, Tamil Nadu on a build-operate-transfer (BOT) basis for a total period of 30 years (including the terminal construction period). The project was planned towards setting up an iron ore terminal of capacity 6 MMTPA in Phase I to reach 12 MMPTA in phase II. At present, SLL holds 63% in the JV, while MMTC Limited and L&T IDPL hold 26% and 11%, respectively. Despite completion, the operations did not commence due to the Supreme Court's ban on iron ore mining operations in Karnataka in 2011. Post this, SIOTL sought approval from the Ministry of Shipping for conversion into a coal handling terminal. Subsequently, SIOTL received the approval from the Ministry of Shipping. The company received the letter of award from KPL in July 2016 for conversion of terminal to handle coal with a capacity of 12 MTPA. The terminal received the final environmental clearance and at present the project is only ~80% complete and currently on hold due to lack of funding. Sical Logistics Limited has an investment amounting to Rs 82.90 Crore and has an outstanding loan amounting to Rs 851.07 Crore due from SIOTL.

Status of non-cooperation with previous CRA: NA

Any other information: None

Rating history for past three years

Instrument	Type	Current Rating (FY2025)		Chronology of Rating History for the past 3 years			
		Amount Rated (Rs. Crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in	Date & Rating in	Date & Rating in
				21-May-2024	26-Apr-2023	31-Mar-2022	31-Dec-2020
1 Cash Credit	Long Term	40.00	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D
2 Term Loan	Long Term	500.00	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D
3 Non Fund Based	Long Term	60.00	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D
4 Long Term-Interchangeable	Long Term	(175.00)	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D
5 Short Term-Interchangeable	Short Term	(175.00)	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D

Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple
Term Loan	Simple
Non Fund Based	Very Simple
Long Term-Interchangeable	Very Simple
Short Term-Interchangeable	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, is 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
NA	Cash Credit	-	-	-	40.00	[ICRA]D; ISSUER NOT COOPERATING
NA	Term Loan	Sep-16	11.00%	Jun-2038	500.00	[ICRA]D; ISSUER NOT COOPERATING
NA	Non Fund Based	-	-	-	60.00	[ICRA]D; ISSUER NOT COOPERATING
NA	Long Term-Interchangeable	-	-	-	(175.00)	[ICRA]D; ISSUER NOT COOPERATING
NA	Short Term-Interchangeable	-	-	-	(175.00)	[ICRA]D; ISSUER NOT COOPERATING

Source: Sical Iron ore Terminals Limited

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

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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