

September 13, 2024

## Raipur Power and Steel Limited: Continues to remain under issuer Non-Cooperating category, Ratings downgraded based on best available information

### Summary of rating action

| Instrument <sup>^</sup>              | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action   |
|--------------------------------------|-----------------------------------|----------------------------------|---|
| Long Term – Fund Based – Cash Credit | 60.00                             | 60.00                            | [ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+(Stable); ISSUER NOT COOPERATING and continues to remain under 'Issuer Not Cooperating' category |
| <b>Total</b>                         | <b>60.00</b>                      | <b>60.00</b>                     |   |

<sup>^</sup>Instrument details are provided in Annexure-I

\*Issuer did not cooperate

### Rationale

The rating downgrade is because of lack of adequate information regarding Raipur Power and Steel Limited performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its “Policy in respect of non-cooperation by a rated entity” available at [www.icra.in](http://www.icra.in). 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.

As part of its process and in accordance with its rating agreement with Raipur Power and Steel Limited, ICRA has been trying to seek information from the entity so as to monitor its performance. 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 continues to remain in 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 the 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 | <a href="#">Policy in respect of non-cooperation by the rated entity</a><br><a href="#">Corporate Credit Rating Methodology</a><br><a href="#">Rating Methodology- Iron &amp; Steel</a> |
| Parent/Group support            | Not Applicable  |
| Consolidation/Standalone        | Standalone  |

### About the company

Raipur Power and Steel Limited (RPSL) was incorporated in October 2007 with capacities to manufacture sponge iron. Later the company set up its own captive power plant, followed by facilities to manufacture ferro alloys, wire rods, HB wires, TMT, billets, sponge iron and iron ore pellets. The company is promoted by Mr. Narsi Dass Garg, Mr. Balraj Garg and Mr. Vinod Garg. The manufacturing facilities are based out of Borai Industrial Area, Durg, Chattisgarh. The promoters were earlier based in Ludhiana, running the company –Garg Industries Ltd., engaged in manufacturing wire rods and billets. In 2015, the

promoters also promoted another company -Parth Concast Limited (PCL), which manufactures billets with manufacturing facilities located adjacent to RPSL. The company also has a 12-MW captive power plant. This comprises a 6-MW WHRB plant and a 6-MW AFBC (Atmospheric Fluidized Bed Combustion) power plant. The entire power generated by this power plant is used captively and the remaining power requirement is obtained from outside sources.

#### Status of non-cooperation with previous CRA:

| CRA  | Status                                  | Date of Release |
|------|---|-----------------|
| CARE | [CARE]D/[CARE]D; ISSUER NOT COOPERATING | July 28, 2023   |

Any other information: None

#### Rating history for past three years

|   | Instrument               | Current rating (FY2025) |                          |   | Chronology of rating history for the past 3 years |                      |                                 |                                 |
|---|--------------------------|-------------------------|--------------------------|---|---|----------------------|---------------------------------|---------------------------------|
|   |                          | Type                    | Amount rated (Rs. crore) | Date & rating in                          | Date & rating in FY2024                           |                      | Date & rating in FY2023         | Date & rating in FY2022         |
|   |                          |                         |                          | Sep 13, 2024                              | Nov 29, 2023                                      | Sep 29, 2023         | Mar 29, 2023                    | Jan 27, 2022                    |
| 1 | Fund Based – Cash Credit | Long Term-              | 60.00                    | [ICRA]B+ (Stable); ISSUER NOT COOPERATING | [ICRA]BB+(Stable); ISSUER NOT COOPERATING         | [ICRA]BB+(Stable)    | [ICRA]D; ISSUER NOT COOPERATING | [ICRA]D; ISSUER NOT COOPERATING |
| 2 | Fund Based – Term Loan   | Long Term               | -                        | -   | -   | -                    | [ICRA]D; ISSUER NOT COOPERATING | [ICRA]D; ISSUER NOT COOPERATING |
| 3 | Unallocated              | Long Term               | -                        | -   | -   | -                    | [ICRA]D; ISSUER NOT COOPERATING | [ICRA]D; ISSUER NOT COOPERATING |
| 4 | Non Fund Based           | Short Term              | -                        | -   | -   | [ICRA]A4+; Withdrawn | [ICRA]D; ISSUER NOT COOPERATING | [ICRA]D; ISSUER NOT COOPERATING |

#### Complexity level of the rated instruments

| Instrument               | Complexity Indicator |
|--------------------------|----------------------|
| 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 are available on ICRA's website: [Click Here](#)

#### Annexure I: Instrument details

| ISIN | Instrument Name          | Date of Issuance | Coupon Rate | Maturity | Amount Rated (Rs. crore) | Current Rating and Outlook                |
|------|--------------------------|------------------|-------------|----------|--------------------------|---|
| NA   | Fund Based – Cash Credit | NA               | NA          | NA       | 60.00                    | [ICRA]B+ (Stable); ISSUER NOT COOPERATING |

Source: Raipur Power and Steel Limited

#### 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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