

December 12, 2024

ISMT LIMITED: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based Limits	145.00	145.00	[ICRA]A+ (Stable); Withdrawn
Long-term – Fund-based – Term Loan	150.00	150.00	[ICRA]A+ (Stable); Withdrawn
Short-term – Non-fund-based Limits	385.00	385.00	[ICRA]A1; Withdrawn
Long-term/Short-term – Unallocated Limits	70.00	70.00	[ICRA]A+ (Stable)/[ICRA]A1; Withdrawn
Total	750.00	750.00	

*Instrument details are provided in Annexure-I

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of **ISMT LIMITED** at the request of the company and post its amalgamation into Kirloskar Ferrous Industries Limited (rated at [ICRA]AA(Stable)/[ICRA]A1+), in accordance with ICRA's withdrawal policy. ICRA has not reviewed the ratings at the time of withdrawal, as the company now ceases to exist.

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position, Rating sensitivities, Key financial indicators have not been captured as the rated instruments are being withdrawn.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	Corporate Credit Rating Methodology Rating Methodology – Iron & Steel Policy on Withdrawal of Credit Ratings
Parent/Group support	Parent – Kirloskar Ferrous Industries Limited (rated [ICRA]AA (Stable)/[ICRA]A1+) ICRA expects KFIL to provide need-based funding support to ISMT.
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of ISMT, which include 11 subsidiaries (as per annexure 2).

About the company

Incorporated in 1977, ISMT manufactures seamless tubes, alloy and carbon steel rounds and billets. It is among the largest specialised seamless tube manufacturers in India. It has three manufacturing plants, one each in Jejuri (steelmaking facility), Baramati and Ahmednagar (tube manufacturing). Its current tube manufacturing capacity is 3,71,000 MTPA and steelmaking capacity is 3,50,000 MTPA. The company's products find application in various industries including automobile, bearings, forging, oil and gas, boilers, and hydraulic segments, among others. In March 2022, KFIL acquired a 51.25% stake in ISMT and took over its management control.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2025)				Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs Crore)	FY2025		FY2024		FY2023		FY2022	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund-based Limits	Long Term	145.00	12-Dec-2024	[ICRA]A+ (Stable); Withdrawn	29-Dec-2023	[ICRA]A+ (Stable)	27-Dec-2022	[ICRA]A- (Stable)	-	-
			-	-	22-Aug-2023	[ICRA]A (Stable)	-	-	-	-
			-	-	20-Jul-2023	[ICRA]A (Stable)	-	-	-	-
Fund-based – Term Loan	Long Term	150.00	12-Dec-2024	[ICRA]A+ (Stable); Withdrawn	29-Dec-2023	[ICRA]A+ (Stable)	-	-	-	-
			-	-	22-Aug-2023	[ICRA]A (Stable)	-	-	-	-
			-	-	20-Jul-2023	[ICRA]A (Stable)	-	-	-	-
Non-fund-based Limits	Short Term	385.00	12-Dec-2024	[ICRA]A1; Withdrawn	29-Dec-2023	[ICRA]A1	27-Dec-2022	[ICRA]A2+	-	-
			-	-	22-Aug-2023	[ICRA]A1	-	-	-	-
			-	-	20-Jul-2023	[ICRA]A1	-	-	-	-
Unallocated Limits	Long Term and Short Term	70.00	12-Dec-2024	[ICRA]A+ (Stable)/ [ICRA]A1; Withdrawn	29-Dec-2023	[ICRA]A+ (Stable)/ [ICRA]A1	27-Dec-2022	[ICRA]A- (Stable)/ [ICRA]A2+	-	-
			-	-	22-Aug-2023	[ICRA]A (Stable)/ [ICRA]A1	-	-	-	-
			-	-	20-Jul-2023	[ICRA]A (Stable)/ [ICRA]A1	-	-	-	-
Fund-based/Non-Fund Based – Proposed Facilities	Long Term and Short Term	-	-	-	-	-	04-Jul-2022	[ICRA]A- (Stable)/ [ICRA]A2+	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Fund-based Limits	Simple
Long-term – Fund-based Term Loan	Simple
Short-term – Non-fund-based Limits	Very Simple
Long-term/Short-term – Unallocated Limits	Not Applicable

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	Cash Credit	NA	8-9%	NA	145.00	[ICRA]A+ (Stable); Withdrawn
NA	Proposed Term Loan	NA	NA	NA	150.00	[ICRA]A+ (Stable); Withdrawn
NA	Letter of Credit	NA	NA	NA	385.00	[ICRA]A1; Withdrawn
NA	Unallocated Limits	NA	NA	NA	70.00	[ICRA]A+(Stable)/[ICRA]A1; 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

Sr.	Company Name	Consolidation Approach
1	ISMT Limited	Full Consolidation
2	ISMT Enterprises SA	Full Consolidation
3	Structo Hydraulics AB	Full Consolidation
4	ISMT Europe AB	Full Consolidation
5	Indian Seamless Inc	Full Consolidation
6	Tridem Port and Power Company Private Limited	Full Consolidation
7	Nagapattinam Energy Private Limited	Full Consolidation
8	PT ISMT Resources	Full Consolidation
9	Best Exim Private Limited	Full Consolidation
10	Success Power and Infraprojects Private Limited	Full Consolidation
11	Marshall Microware Infrastructure Development Company Private Limited	Full Consolidation
12	Adicca Energy Solutions Private Limited	Full Consolidation

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Branches



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