

July 20, 2021

POSCO Maharashtra Steel Pvt. Ltd.: Rating withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Commercial Paper (CP) Programme [#]	800.00	800.00	[ICRA]A1+ withdrawn
Total	800.00	800.00	

*Instrument details are provided in Annexure-1; [#]carved out of the existing working capital limit

Rationale

The rating of POSCO Maharashtra Steel Pvt. Ltd. (POSCO Maharashtra) has been withdrawn at the request of the company, in accordance with ICRA's policy on withdrawal of credit rating. ICRA 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position, Rating sensitivities, Key financial indicators have not been captured as the rated instruments are being withdrawn.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	Corporate Credit Rating Methodology Entities in the Ferrous Metals Industry Impact of Parent or Group Support on an Issuer's Credit Rating ICRA's policy on withdrawal of credit rating
Parent/Group Support	Parent company: POSCO Co. Ltd. (POSCO Korea; rated Baa1/Stable by Moody's) POSCO Maharashtra's rating factors in the high likelihood of its parent, POSCO Korea, extending financial support to it, because of close financial and business linkages between them. Moreover, POSCO Korea has guaranteed the long-term debt of POSCO Maharashtra and has extended letter of comfort for its working capital borrowings.
Consolidation/Standalone	Standalone

About the company

POSCO Maharashtra was incorporated on March 12, 2009 and is a wholly-owned subsidiary of POSCO Co. Ltd, Korea (or POSCO Korea). POSCO Maharashtra manufactures cold rolled (CR) coil, galvanised coil and cold rolled non-grain oriented (CRNO) coil. The company caters to customers in automobile and general manufacturing sectors. Its manufacturing facility is in the Raigad district of Maharashtra.

POSCO Maharashtra is a wholly-owned subsidiary of POSCO Korea (rated Baa1/Stable by Moody's). It is one of the world's largest steel companies in terms of production volume. Its products include a range of hot-rolled and cold-rolled products, steel plates, stainless steel, wire rods and silicon steel sheets. It produced 36 mt of crude steel in 2020. While the company's primary business is steel manufacturing, it is also involved in trading, engineering and construction, and energy businesses

through its subsidiaries. In the 12 months ended September 30, 2020, POSCO Korea reported a consolidated revenue of \$49.1 billion.

Key financial indicators: Not applicable

Status of non-cooperation with previous CRA – Not Applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore) as on Jun 30, 2021	Date & Rating in	Date & Rating in FY2021	Date & Rating in FY2020	Date & Rating in FY2019	
					Jul 20, 2021	Mar 1, 2021	Dec 30, 2019	-	
1	Commercial Paper*	Short Term	800.00	-	[ICRA]A1+ withdrawn	[ICRA]A1+	[ICRA]A1+	-	

Amount in Rs. crore; *carved out of the existing working capital facility

Complexity level of the rated instrument

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 analyzing 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: www.icra.in

Annexure-1: 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*	-	-	-	800.00	[ICRA]A1+ withdrawn

Source: Company; *Carved out of the existing working capital facility

Annexure-2: List of entities considered for consolidated analysis – Not applicable

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