July 31, 2024

# KIOCL Limited: Ratings withdrawn

## Summary of rating action

| Instrument* | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action |
|---|---|---|---|
| **Long-term/short-term – non-fund based** | 530.00 | 530.00 | [ICRA]A+ (Negative)/ [ICRA]A1; withdrawn |
| **Long-term/short-term – Untied limits** | 520.00 | 520.00 | [ICRA]A+ (Negative)/ [ICRA]A1; withdrawn |
| **Total** | **1,050.00** | **1,050.00** | |

**Instrument details are provided in Annexure I*

## Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of **KIOCL Limited** at the request of the company, and in accordance with ICRA's policy on withdrawal. 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 and their description, Key Financial Indicator, Liquidity position and Rating sensitivities have not been captured as the rated instruments are being withdrawn.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<br>Policy on Withdrawal of Credit Ratings |
| **Parent/Group support** | Parent: Government of India<br>The assigned ratings factor in the expectations of need-based financial support by the Government to the rated entity. |
| **Consolidation/Standalone** | Standalone |

## About the company

KIOCL is a flagship company under the Ministry of Steel, GoI, with a Miniratna status. It was incorporated in April 1976. It is an export-oriented unit with expertise in iron ore mining, filtration technology and production of high-quality pellets. Its pellet unit, with an installed capacity of 3.5 mtpa, is in Mangaluru, Karnataka. Apart from the pellet unit, it also has a blast furnace (currently not in operations) to produce foundry-grade pig iron and a reclaimer to load pellets directly from the stockyard to the vessel. KIOCL has diversified into Operation & Maintenance services along with mineral exploration pertaining to its various core areas of expertise.

## Status of non-cooperation with previous CRA: Not applicable

## 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 FY2025 | Date & rating in FY2024 | | Date & rating in FY2023 | Date & rating in FY2022 |
| | | | | July 31, 2024 | August 31, 2023 | August 07, 2023 | June 8, 2022 | Oct 29, 2021 |
| 1 | **Long term/short term - non-fund based - Letter of credit/bank guarantee** | Long Term/ Short Term | 530.00 | [ICRA]A+ (Negative)/ [ICRA]A1; Withdrawn | [ICRA]A+ (Negative)/ [ICRA]A1 | [ICRA]A+ (Negative)/ [ICRA]A1 | [ICRA]AA- (Negative)/ [ICRA]A1+ | [ICRA]AA- (Stable)/ [ICRA]A1+ |
| 2 | **Long term/short term - Untied Limits** | Long Term/ Short Term | 520.00 | [ICRA]A+ (Negative)/ [ICRA]A1; Withdrawn | [ICRA]A+ (Negative)/ [ICRA]A1 | [ICRA]A+ (Negative)/ [ICRA]A1 | [ICRA]AA- (Negative)/ [ICRA]A1+ | [ICRA]AA- (Stable)/ [ICRA]A1+ |

## Complexity level of the rated instruments

| Instrument | Complexity Indicator |
|---|---|
| **Non-fund based - Letter of credit/bank guarantee** | Very Simple |
| **Untied 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** | **Long term/short term non-fund based - Letter of credit/bank guarantee** | NA | NA | NA | 530.00 | [ICRA]A+ (Negative)/ [ICRA]A1; Withdrawn |
| **NA** | **Long term/short term -Untied Limits** | NA | NA | NA | 520.00 | [ICRA]A+ (Negative)/ [ICRA]A1; Withdrawn |

*Source: Company*

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

## ANALYST CONTACTS


**Girishkumar Kadam**
+91 22 6114 3441
girishkumar@icraindia.com

**Vikram V**
+91 40 4547 4829
vikram.v@icraindia.com

**Sumit Jhunjhunwala**
+91 33 7150 1111
sumit.jhunjhunwala@icraindia.com

**Deepayan Ghosh**
+91 33 7150 1220
deepayan.ghosh@icraindia.com


## RELATIONSHIP CONTACT


**L Shivakumar**
**+91 22 6114 3406**
shivakumar@icraindia.com


## MEDIA AND PUBLIC RELATIONS CONTACT


**Ms. Naznin Prodhani**
Tel: +91 124 4545 860
communications@icraindia.com


## Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

## 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.

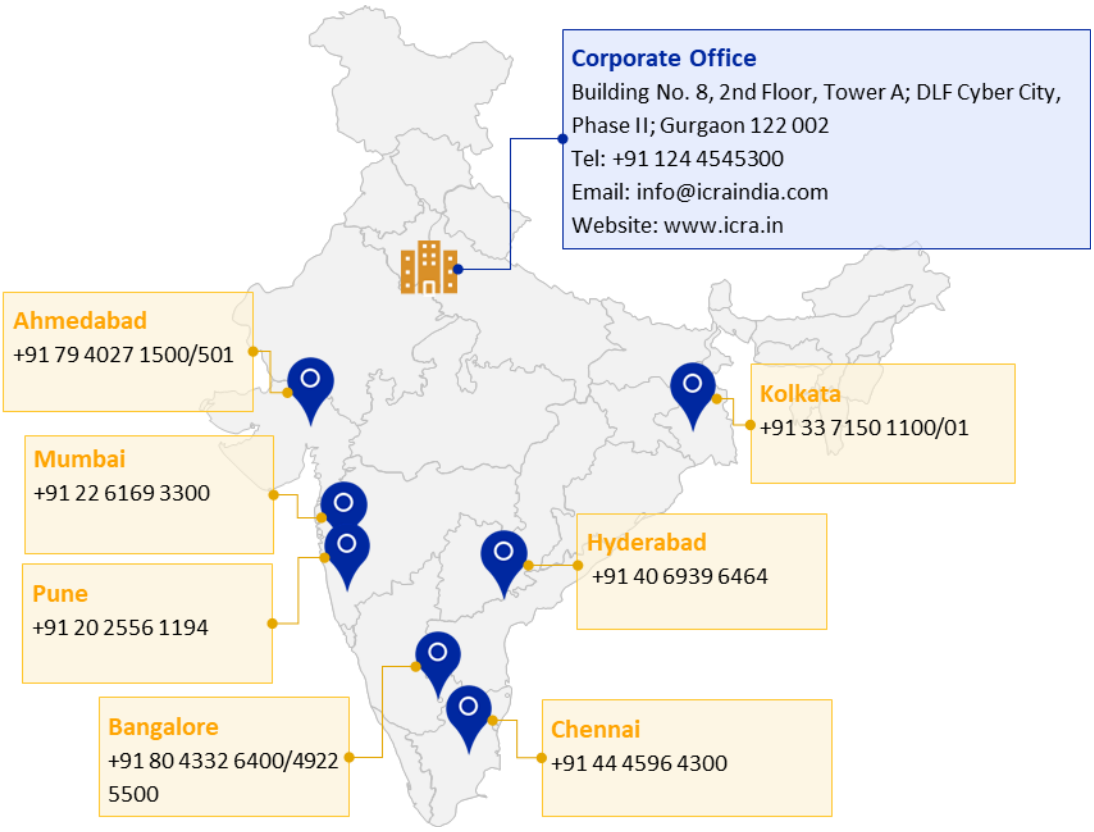
For more information, visit www.icra.in

## ICRA Limited

### Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

### Branches



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