

Bamnival Steel Limited

April 12, 2019

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Commercial Paper Programme	5,000.00	5,000.00	[ICRA]A1+(S) Withdrawn
Short-term Borrowing Programme	11,500.00	11,500.00	[ICRA]A1+(S) Withdrawn
Proposed Short-term Borrowing Programme	1,500.00	1,500.00	Provisional [ICRA]A1+(S) Withdrawn
Total	18,000.00	18,000.00	

*Instrument details are provided in Annexure-1

Rationale

The ratings assigned to the commercial paper programme and short-term borrowing programme of Bamnival Steel Limited (BSL) have been withdrawn at the request of the company in accordance with ICRA's policy on withdrawal and suspension, and based on the no-dues certificate provided by the company's bankers and confirmation received from the Issuing and Paying Agent (IPA).

Outlook: Not applicable

Key rating drivers

Key Rating drivers has not been captured as the rated instrument(s) are being withdrawn.

Liquidity Position:

Liquidity position has not been captured as the rating is being withdrawn.

Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not applicable as the rating is being withdrawn
Consolidation / Standalone	Not applicable as the rating is being withdrawn

About the company:

Incorporated in 2018, BSL is a wholly-owned SPV of Tata Steel Limited (TSL), set up to facilitate the acquisition of Tata Steel BSL Limited (erstwhile Bhushan steel Limited) under the corporate insolvency resolution process of the Insolvency and Bankruptcy Code, 2016. On March 22, 2018, TSL was declared the successful resolution applicant by the Committee of Creditors (CoC) of Tata Steel BSL Limited, and subsequently received the necessary regulatory approvals from the NCLT and the Competition Commission of India. The entire borrowings raised by BSL are backed by a Letter of Comfort (LoC) from TSL. At present, BSL does not have any operations.

Parent company profile:

Tata Steel Limited (TSL), a part of the widely-diversified Tata Group, manufactures iron and steel products. TSL's key products include hot rolled coils/sheets, cold rolled coils/sheets, mild steel galvanised plain/corrugated/colour-coated coils/sheets, steel billets, bars and rods, among others. In addition to different varieties of steel, it is also a large producer of ferro-chrome products. TSL has an annual crude steel production capacity of 33 million tonnes per annum (mtpa) with 18.6 mtpa of crude steel capacity in India and the remaining capacity mainly in Europe. Tata Steel Europe was formed by the takeover of the erstwhile Corus Group Plc by TSL.

Key financial indicators (audited)

Not applicable since BSL does not have any operations at present. Key financials of its parent, TSL, are given below.

Consolidated financials of TSL	FY 2017	FY 2018
Operating Income (Rs. crore)	112,299	132,156
PAT (Rs. crore)	-4,169	17,763
OPBDIT/ OI (%)	15.1%	16.6%
RoCE (%)	3.4%	20.4%
Total Debt/ TNW (times)	2.11	1.49
Total Debt/ OPBDIT (times)	4.88	4.21
Interest coverage (times)	3.24	3.86

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

		Current Rating (FY2020)			Chronology of Rating History for the Past 3 Years			
Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating	Date & Rating in FY2019	Date & Rating in FY2018	Date & Rating in FY2017	
				April 2019	December 2018	-	-	
1 Commercial Paper Programme	Short Term	5000.00	-	[ICRA]A1+(S) Withdrawn	[ICRA]A1+(S)	-	-	
2 Short-term Borrowing Programme	Short Term	11,500.00	-	[ICRA]A1+(S) Withdrawn	Provisional [ICRA]A1+(S)	-	-	
3 Proposed Short-term Borrowing Programme	Short Term	1,500.00	-	Provisional [ICRA]A1+(S) Withdrawn	Provisional [ICRA]A1+(S)	-	-	

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [click here](#)

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE00LF14067	Commercial Paper	November 2018	-	January 2019	5000.00	[ICRA]A1+(S) Withdrawn
NA	Short-term Borrowing Programme	May 2018	8.8%	March 2019	11,500.00	[ICRA]A1+(S) Withdrawn
NA	Proposed Short-term Borrowing Programme	NA	NA	NA	1,500.00	Provisional [ICRA]A1+(S) Withdrawn

Source: Bamnival Steel Limited

ANALYST CONTACTS

Jayanta Roy

+91 33 7150 1120

jayanta@icraindia.com

Priyesh Ruparelia

+91 22 6169 3328

priyesh.ruparelia@icraindia.com

Ritabrata Ghosh

+91 33 7150 1107

ritabrata.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

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ICRA Limited

Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: info@icraindia.com

Website: www.icra.in

Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

Branches

Mumbai + (91 22) 24331046/53/62/74/86/87

Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,

Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,

Bangalore + (91 80) 2559 7401/4049

Ahmedabad+ (91 79) 2658 4924/5049/2008

Hyderabad + (91 40) 2373 5061/7251

Pune + (91 20) 2556 0194/ 6606 9999

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