

RATING RATIONALE

10 Oct 2023

Steel Authority of India Ltd.

Brickwork Ratings withdraws the ratings for the Non-Convertible Debentures of Rs. 2000 Cr on account of full redemption and of Rs. 3000 Crs on account of non utilisation of the proposed NCDs of Steel Authority of India Ltd (SAIL or “the Company”)

Particulars:

Facility / Instrument **	Amt (Rs. Cr)		Tenure	Rating*	
	Previous	Present		Previous (November 18, 2022)	Present
NCD	1200	0.00	Long Term	BWR AA (Stable) (Reaffirmation)	Withdrawal on full redemption
NCD	800	0.00	Long Term	BWR AA (Stable) (Reaffirmation)	
Proposed NCD	3000	0.00	-	BWR AA (Stable) (Reaffirmation)	Withdrawal on non utilisation
Total	5000	0.00			

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings.

**Details of the raised NCDs are given in Annexure I.

RATING ACTION/WITHDRAWAL

BWR has withdrawn the ratings for the NCD of Rs. 2000 Crs issued by Steel Authority of India Ltd (SAIL or “the Company”) on account of full redemption of the NCDs on the due date, supported by the confirmation from the Debenture Trustee and public disclosure by the company on stock exchange. BWR has also withdrawn the ratings for the proposed NCDs of Rs. 3000 Crs on account of on the non issuance as confirmed by the company stating “It is confirmed that Steel Authority of India Ltd., has not issued any fresh NCD Bonds and BWR rating has not been used for raising any NCD and there is no amount outstanding against the rated amount of the proposed NCD of Rs. 3000 Crs”, in compliance with BWR Rating Withdrawal Policy.

COMPANY'S PROFILE

Macro Economic Indicator	Sector	Industry	Basic Industry
Commodities	Metals & Mining	Ferrous Metals	Iron & Steel

Steel Authority of India Limited (SAIL) is amongst the largest steel-making companies in India and one of the thirteen Maharatnas of the country's Central Public Sector Enterprises. SAIL produces iron and steel at five integrated plants and three special steel plants, located principally in the eastern and central regions of India and situated close to domestic sources of raw materials. SAIL manufactures and sells a broad range of steel products.

The Government of India owns about 65% of SAIL's equity and retains voting control of the Company. The company is an integrated iron and steel maker, producing both carbon and special steel for various industries like construction, engineering, power, railway, automotive, consumer durables, defense, etc. At present, SAIL owns and operates five integrated steel plants, viz, Bhilai Steel Plant (BSP), Durgapur Steel Plant (DSP), Rourkela Steel Plant (RSP), Bokaro Steel Plant (BSL) and IISCO Steel Plant (ISP). The company also has three special steel plants, viz, Alloy Steel Plant, Salem Steel Plant and Visvesvaraya Iron & Steel Plant.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NA

RATING HISTORY FOR THE PREVIOUS THREE YEARS (including withdrawal and suspended)

Instrument / Facilities	Current Rating (2023)			Rating History		
	Tenure (Long Term/ Short Term)	Amount (Rs.Crs)	Rating	2022	2021	2020
NCDs (Rs. 2000 Crs)	Long Term	0.00	Withdrawal on full redemption	AA /Stable Reaffirmation (18 November)	AA /Stable Reaffirmation with change in outlook from Negative to Stable (12 November)	AA/Negative Reaffirmation (29 October)
Proposed NCDs (Rs. 3000 Crs)	-	0.00	Withdrawal on non utilisation			
Total		0.00				



COMPLEXITY LEVELS OF THE INSTRUMENTS - Simple

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratio](#)
- [Consolidation of Companies](#)
- [Manufacturing Companies](#)
- [BWR Rating Withdrawal Policy](#)

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Annexure I Details of Bank Loan Facilities Rated by BWR - NA

Annexure II

INSTRUMENT (NCDs) DETAILS

Instruments	ISIN	Amt (Rs. Cr)	Issue Date	Maturity	Coupon
NCD BG*	INE114A07950	1200	1-Aug-2016	1-Aug-2023	8.3%
NCD BH*	INE114A07968	800	3-Aug-2016	3-Aug-2023	8.3%
Proposed NCD	-	3000	-	-	-

*NCDs are fully redeemed on the due date.

Annexure III
List of entities consolidated

Name of the Entity	% Ownership	Extend of consolidation	Type
SAIL Refractory Company Limited	100%	100%	Subsidiary
Chhattisgarh Mega Steel Limited	74%	74%	Subsidiary
Almora Magnesite Ltd	20%	20%	Associate
NTPC-SAIL Power Company Private Limited	50%	50%	Joint Venture
International Coal Ventures Private Limited	47.82%	47.82%	Joint Venture
Bastar Railway Private Limited	12%	12%	Joint Venture
SAIL RITES Bengal Wagon Industry Private Limited	50%	50%	Joint Venture
GEDCOL SAIL Power Corporation Limited	26%	26%	Joint Venture
mJunction Services Limited	50%	50%	Joint Venture
Bokaro Power Supply Company Private Limited	50%	50%	Joint Venture
Bhilai Jaypee Cement Limited	26%	26%	Joint Venture
SAIL Kobe Iron India Private Limited	50%	50%	Joint Venture
SAIL SCL Kerala Limited	49.26%	49.26%	Joint Venture
SAIL Bansal Service Centre Limited	40%	40%	Joint Venture
Prime Gold - SAIL JVC Limited	26%	26%	Joint Venture
VSL SAIL JVC Limited	20.58%	20.58%	Joint Venture



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