



Press Release

Eagle Steel Industries Private Ltd

May 01, 2020

Ratings

Instrument / Facility	Amount (Rs. Crore)	Ratings	Rating Action
Long Term Fund based	12.00	IVR BB-/Stable Outlook; ISSUER NOT COOPERATING* (IVR BB Minus with Stable Outlook; Issuer Not Cooperating)	Rating revised from IVR BB/Stable(IVR Double B with Stable outlook and moved to ISSUER NOT COOPERATING Category)
Total	12.00		

**Issuer did not cooperate; based on best available information*

Details of Facility are in Annexure 1

Detailed Rationale

The rating revision is because of lack of adequate information regarding Eagle Steel Industries Private Ltd.'s performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the rating revision.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide E-Mails dated April 16 2020, April 20, 2020, April 28, 2020 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details and fees for surveillance exercise.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long term rating for the bank loan facilities aggregating to Rs 12.00 crore of Eagle Steel Industries Private Ltd shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB-



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/Stable: Issuer Not Co-operating; based on best available information (IVR Double BB-
/Stable: Issuer Not Co-operating; based on best available information).

Analytical Approach & Applicable Criteria

Standalone

Financial Ratios & Interpretation – (Non-financial Sector)

Guidelines on what constitutes Non-Cooperation by clients

About the Company

Eagle Steel Industries Pvt. Ltd. (ESIPL) is a private limited company incorporated by Mr. Rafiqbhai Ghanchi and Mr Mohammadilyas Ghanchi in 2006. The company commenced its business operation from September 2006. The company is involved in trading of various products such as wide range of mild steel coil, mild steel bars, scrap and other metal products. The Ghanchi family has been in the metal trading business for over 70 years. Prior to the incorporation of ESIPL, the promoters were actively involved in the business through Eagle Steel, a proprietorship firm based out of Ahmadabad.

Financials (Standalone)	(Rs. Crore)	
For the year ended / As on	31-03-18	31-03-19
	Audited	Audited
Total Operating Income	60.98	66.06
EBITDA	1.85	1.78
PAT	0.16	0.16
Total Debt	8.78	7.14
Tangible Net worth	5.97	6.23
EBIDTA Margin (%)	3.03	2.70
PAT Margin (%)	0.26	0.25
Overall Gearing ratio (x)	1.47	1.15

*Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: NA

Any other information: Nil



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Rating History for last three years:

S. No.	Name of Instrument/Facilities	Current Rating (Year 2020-21)			Rating History		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18
1.	Cash Credit	Long Term	12.00	IVR BB-/Stable Outlook (IVR Double B Minus with Stable Outlook) ISSUER NOT COOPERATING	-	IVR BB/ Stable Outlook (IVR Double B with Stable Outlook) (February 25, 2019)	--

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We



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are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility(Rs. Crore)	Rating Assigned/ Outlook
Long Term Fund based facilities-Cash Credit	-	-	-	12.00	IVR BB-/Stable Outlook ISSUER NOT COOPERATING*

**Issuer did not cooperate; based on best available information*