



## Press Release

### Amba Shakti Ispat Limited

**September 25, 2024**

#### Ratings

| Security/Facilities           | Amount<br>(Rs. crore)  | Current Ratings*  | Previous Ratings*  | Rating Action  | <a href="#">Complexity<br/>Indicator</a> |
|-------------------------------|--|---|--|--|--|
| Long Term Bank<br>Facilities  | 34.83  | IVR BB+; Negative,<br>ISSUER NOT CO-<br>OPERATING* (IVR<br>Double B plus with<br>Negative Outlook;<br>ISSUER NOT<br>COOPERATING*) | IVR BBB-; Stable<br>(IVR Triple B<br>minus with Stable<br>Outlook) | Downgraded<br>with revision in<br>outlook from<br>Stable to<br>Negative<br>and moved to<br>ISSUER NOT<br>COOPERATING<br>category | Simple                                   |
| Short Term Bank<br>Facilities | 14.34  | IVR A4+; ISSUER NOT<br>COOPERATING<br>(IVR A Four plus;<br>ISSUER NOT<br>COOPERATING)   | IVR A3<br>(IVR A Three)  | Downgraded<br>and moved to<br>ISSUER NOT<br>COOPERATING<br>category  | Simple                                   |
| <b>Total</b>                  | <b>49.17<br/>(Rupees Forty-<br/>Nine Crore and<br/>Seventeen<br/>Lakhs Only)</b> |   |  |  |  |

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

**Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.**

#### Detailed Rationale

Infomerics Ratings has downgraded the ratings assigned to the bank facilities of Amba Shakti Ispat Limited (ASIL) because of non-cooperation by the company despite repeated follow ups and lack of adequate information leading to information availability risk and hence uncertainty around its credit risk.

Infomerics Ratings assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy. The outlook revised to negative from stable due to information availability risk.



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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.

### **Non-cooperation by Issuer**

Infomerics Ratings has been regularly following up with the entity to provide the required data to monitor its assigned rating to the bank facilities, vide E-mail communications dated May 31, 2024, July 04, 2024, August 01, 2024, August 28, 2024, September 09, 2024, and September 17, 2024, concurrently over several phone calls. However, despite repeated requests by Infomerics, the company has not submitted the fees and essential details/information 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 Ratings has to assign the rating based on the best available information.

**Analytical Approach:** Standalone

### **Applicable Criteria:**

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Rating Methodology for Manufacturing companies](#)

[Policy of default recognition](#)

[Criteria of assigning Rating outlook](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria on complexity](#)

**Liquidity:** Unable to comment due to non-availability of information despite repeated follow ups.

### **About the Company**

The Company was incorporated in the year 2003 by Mr. S.K. Goel, Kamal Goel, Mr. Pankaj Goel and Mr. Sanjeev Goel. All the promoters having experience in the line of the steel business for over two decades. The company is engaged in production of TMT Bars, Angle



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and Channels. The TMT Bars produced by the Company are marketed under the Brand “AMBA SHAKTI”.

**Financials (Standalone):** Latest information not available

| For the year ended / As on | (Rs. crore) |          |
|----------------------------|-------------|----------|
|                            | 31-03-22    | 31-03-23 |
|                            | Audited     | Audited  |
| Total Operating Income     | 416.54      | 493.11   |
| EBITDA                     | 8.04        | 7.57     |
| PAT                        | 1.11        | 1.76     |
| Total Debt                 | 48.50       | 47.05    |
| Tangible Net worth         | 36.00       | 37.77    |
| EBITDA Margin (%)          | 1.93        | 1.53     |
| PAT Margin (%)             | 0.27        | 0.36     |
| Overall Gearing Ratio (x)  | 1.17        | 1.17     |
| Interest Coverage (x)      | 1.46        | 1.65     |

*\*Classification as per Infomerics' standards.*

### Status of non-cooperation with previous CRA:

CRISIL Ratings has continued to classify the ratings of the bank facilities of ASIL under “ISSUER NOT COOPERATING” category, vide their press releases dated August 10, 2023, due to non- submission of information for monitoring of rating and non-submission of No Default Statements (NDS) for the last three months.

Brickworks Ratings has continued to classify the ratings of the bank facilities of ASIL under “ISSUER NOT COOPERATING” category, vide their press releases dated December 14, 2023, due to non- submission of information for monitoring of rating and non-submission of No Default Statements (NDS) for the last three months.

**Any other information:** Nil

**Rating History for last three years:**



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| Sr. No. | Name of Security/Facilities | Current Rating (Year 2024-25) |                                |  | Rating History for the past 3 years     |   |   |
|---------|-----------------------------|-------------------------------|--------------------------------|--|---|---|---|
|         |                             | Type                          | Amount outstanding (Rs. Crore) | Rating                                     | Date(s) & Rating(s) assigned in 2023-24 | Date(s) & Rating(s) assigned in 2022-23 | Date(s) & Rating(s) assigned in 2021-22 |
|         |                             |                               |                                |  | August 01, 2023                         |   |   |
| 1.      | Term Loans (GECL)           | Long Term                     | 4.83                           | IVR BB+ Negative; ISSUER NOT CO-OPERATING* | IVR BBB-/Stable                         | -                                       | -                                       |
| 2.      | Cash Credit                 | Long Term                     | 30.00                          | IVR BB+ Negative; ISSUER NOT CO-OPERATING* | IVR BBB-/Stable                         | -                                       | -                                       |
| 3.      | Letter of Credit            | Short Term                    | 12.00                          | IVR A4+; ISSUER NOT CO-OPERATING*          | IVR A3                                  | -                                       | -                                       |
| 4.      | Bank Guarantee              | Short Term                    | 2.10                           | IVR A4+; ISSUER NOT CO-OPERATING*          | IVR A3                                  | -                                       | -                                       |
| 5.      | Forward Contract            | Short Term                    | 0.24                           | IVR A4+; ISSUER NOT CO-OPERATING*          | IVR A3                                  | -                                       | -                                       |

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

### Name and Contact Details of the Rating Analyst:

Name: Avik Podder

Tel: (033) 4803 3621

Email: [apodder@infomerics.com](mailto:apodder@infomerics.com)

### About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration



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from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit [www.infomerics.com](http://www.infomerics.com).

**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 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 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 / Security | ISIN | Date of Issuance | Coupon Rate/ IRR | Maturity Date | Size of Facility (Rs. Crore) | Rating Assigned/ Outlook                    |
|-----------------------------|------|------------------|------------------|---------------|------------------------------|---|
| Term Loan (GECL 1.0)        | -    | -                | -                | FY24          | 2.00                         | IVR BB+; Negative, ISSUER NOT CO-OPERATING* |
| Term Loans (GECL 1.0 Ext.)  | -    | -                | -                | FY26          | 2.83                         | IVR BB+; Negative, ISSUER NOT CO-OPERATING* |



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|                  |   |   |   |   |       |   |
|------------------|---|---|---|---|-------|---|
| Cash Credit      | - | - | - | - | 30.00 | IVR BB+; Negative, ISSUER NOT CO-OPERATING* |
| Letter of Credit | - | - | - | - | 12.00 | IVR A4+;<br>ISSUER NOT COOPERATING          |
| Bank Guarantee   | - | - | - | - | 2.10  | IVR A4+;<br>ISSUER NOT COOPERATING          |
| Forward Contract | - | - | - | - | 0.24  | IVR A4+;<br>ISSUER NOT COOPERATING          |

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

**Annexure 2: Facility wise lender details:** Not Available

**Annexure 3: Detailed explanation of covenants of the rated Security / Instrument:** Not Applicable

**Annexure 4: List of companies considered for consolidated /combined analysis:** Not Applicable

**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 <https://www.infomerics.com>.