



Press Release

C.G. Ispat Private Limited

October 03, 2023

Ratings

Facilities	Amount (INR crore)	Ratings	Rating Action	<u>Complexity Indicator</u>
Long Term Bank Facilities	35.52	IVR B+/ Negative ISSUER NOT COOPERATING* (IVR B plus with Negative Outlook Issuer Not Cooperating)	Revised from IVR BB-/ Stable (IVR Double B minus with stable outlook) and moved to Issuer Not Cooperating category	Simple
Short Term Bank Facilities	17.38	IVR A4 ISSUER NOT COOPERATING* (IVR A four Issuer Not Cooperating)	Reaffirmed and moved to Issuer Not Cooperating category	Simple
Total	52.90 (INR fifty two crore ninety lakh only)			

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

Details of Facilities are in Annexure 1

Detailed Rationale

The revision in ratings is because of lack of adequate information regarding C.G. Ispat Private Limited (CGIPL) 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 outlook remains negative due to information availability risk. 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 has been regularly following up with the entity to provide the required data & NDS to monitor its assigned rating to the bank facility, vide mail communications dated July 04,



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2023, August 16, 2023, September 18, 2023, September 19, 2023, September 20, 2023, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the entity's management has not submitted surveillance fees and all the essential details required for detailed review of the assigned ratings.

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 ratings of the bank loan facilities aggregating to INR 35.52 crore of C.G. Ispat Private Limited shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the long term rating will be at IVR B+/ Negative ISSUER NOT COOPERATING based on best available information (IVR B Plus with Negative outlook Issuer Not Cooperating based on best available information) and the short term rating of the bank loan facilities aggregating to INR 17.38 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the ratings will be at IVR A4 ISSUER NOT COOPERATING based on best available information (IVR A four Issuer Not Cooperating based on best available information).

Analytical Approach & Applicable Criteria: Standalone

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

[Rating Methodology for Manufacturing companies](#)

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

[Criteria of Rating Outlook](#)

About the Company

CGIPL was incorporated in the year 2004, in village Baheshar, Siltara, Raipur. CGIPL is engaged in the manufacturing of MS Beam, Angles, Channels and H-Beams, with an installed capacity of around 60,000 MTPA. The company purchases its coal from SECL and billets from Vaswani industries. CGIPL also works as a conversion agent for Steel Authority of India Limited (SAIL)

The company was acquired by the Raipur based Vaswani group in October 2010. The existing Management has been introducing new sections of its products as per the market demand.



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Directors of CG Ispat Private Limited are Ravi Kumar Vaswani, Pramod Kumar Vaswani & Yashwant Vaswani.

Financials (Standalone):

(INR Crore)

For the year ended* / As On	31-03-2021	31-03-2022
	Audited	Provisional
Total Income	74.53	156.18
EBITDA	5.23	7.78
PAT	1.21	2.48
Total Debt	38.51	57.83
Tangible Net worth	9.97	12.47
EBITDA Margin (%)	7.02	4.98
PAT Margin (%)	1.61	1.58
Overall Gearing Ratio (x)	3.86	4.64

*Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (September 15, 2022)	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
1.	Cash Credit	Long Term	19.00	IVR B+/ Negative ISSUER NOT COOPERATING*	IVR BB-/ Stable	-	-
2	Guaranteed Emergency Credit Line	Long Term	9.16	IVR B+/ Negative ISSUER NOT COOPERATING*	IVR BB-/ Stable	-	-
3	Working Capital Term Loan	Long Term	6.32	IVR B+/ Negative ISSUER NOT COOPERATING*	IVR BB-/ Stable	-	-
4	Funded Interest Term Loan	Long Term	1.04	IVR B+/ Negative ISSUER NOT COOPERATING*	IVR BB-/ Stable	-	-



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Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (September 15, 2022)	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
5	Bank Guarantee	Short Term	7.38	IVR A4 ISSUER NOT COOPERATING*	IVR A4	-	
6	Bill Discounting backed with Letter of Credit	Short Term	10.00	IVR A4 ISSUER NOT COOPERATING*	IVR A4	-	

* Issuer did not cooperate; based on best available information

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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 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.



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For more information visit 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 Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit 1	-	-	-	5.18	IVR B+/ Negative ISSUER NOT COOPERATING*
Cash Credit 2	-	-	-	13.82	IVR B+/ Negative ISSUER NOT COOPERATING*
Guaranteed Emergency Credit Line 1	-	-	October 2024	1.44	IVR B+/ Negative ISSUER NOT COOPERATING*
Guaranteed Emergency Credit Line 2	-	-	March 2026	2.00	IVR B+/ Negative ISSUER NOT COOPERATING*
Guaranteed Emergency Credit Line 3	-	-	October 2024	3.37	IVR B+/ Negative ISSUER NOT COOPERATING*
Guaranteed Emergency Credit Line 4	-	-	November 2026	2.35	IVR B+/ Negative ISSUER NOT COOPERATING*
Working Capital Term Loan 1	-	-	April 2024	4.44	IVR B+/ Negative ISSUER NOT COOPERATING*
Working Capital Term Loan 2	-	-	August 2023	1.88	IVR B+/ Negative ISSUER NOT COOPERATING*



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Funded Interest Term Loan 1	-	-	September 2023	0.65	IVR B+/ Negative ISSUER NOT COOPERATING*
Funded Interest Term Loan 2	-	-	August 2023	0.39	IVR B+/ Negative ISSUER NOT COOPERATING*
Bank Guarantee 1	-	-	-	5.00	IVR A4 ISSUER NOT COOPERATING*
Bank Guarantee 2	-	-	-	2.38	IVR A4 ISSUER NOT COOPERATING*
Bill Discounting backed with Letter of Credit 1	-	-	-	5.00	IVR A4 ISSUER NOT COOPERATING*
Bill Discounting backed with Letter of Credit 2	-	-	-	5.00	IVR A4 ISSUER NOT COOPERATING*

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

Annexure 2: Facility wise lender details: Not Applicable

Annexure 3: List of companies considered for consolidated analysis: Not Applicable

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: 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 www.infomerics.com