



Press Release

Eloquent Steel Pvt. Ltd

July 27, 2022

Ratings

Instrument/ Facility	Amount (Rs. crore)	Ratings*	Rating Action	Complexity Indicator
Long term Bank Facilities	65.00	IVR BB (CE)^ Under Issuer Not Cooperating Category (IVR Double B (Credit Enhancement) under Issuer Not Cooperating Category)	Reaffirmed and Withdrawn	Complex
Short term Bank Facilities	25.00	IVR A4(CE)^ Under Issuer Not Cooperating Category (IVR A Four (Credit Enhancement) Under Issuer Not Cooperating Category)	Reaffirmed and Withdrawn	Complex
Total	90.00 (INR Ninety crore Only)			

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

^Credit Enhancement (CE) is based on an unconditional and irrevocable shortfall undertaking from Shakambari Ispat & Power Limited

Details of Facilities are in Annexure 1

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

Infomerics has reaffirmed and withdrawn the outstanding long-term rating of IVR BB(CE) Under Issuer Not Cooperating Category [IVR Double B (Credit Enhancement) Under Issuer Not Cooperating Category] and short-term rating of IVR A4(CE) Under Issuer Not Cooperating Category [IVR A Four (Credit Enhancement) Under Issuer Not Cooperating Category] assigned to the bank facilities of Eloquent Steel Pvt. Ltd (ESPL) with immediate effect. Further, the unsupported rating of “IVR BB: Issuer Not Co-operating; Based on best available information. (IVR Double B: Issuer Not Co-operating; Based on best available information)” assigned to ESPL has also been reaffirmed and withdrawn with immediate effect. [\(Key Rating Drivers and Detailed description are as per the last Press Release dated June 12,2021\).](#)

The above action has been taken at the request of Eloquent Steel Pvt. Ltd and ‘No Objection Certificate’ received from Punjab National Bank (the lead bank of the consortium) that have extended the facilities rated by Infomerics.



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Analytical Approach:

Supported: Credit Enhancement (CE) rating: Assessment of the credit profile of Shakambhari Ispat & Power Ltd (SIPL), provider of shortfall undertaking to the bank facilities of ESPL.

Unsupported: Standalone

Applicable Criteria:

[Policy on Withdrawal of ratings](#)

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

[Rating Methodology for Manufacturing Companies](#)

[Rating Methodology for Structure Debt Transaction \(Non-securitisation Transaction\)](#)

About the Company

Eloquent Steel Pvt. Ltd. (ESPL) was incorporated in 2012 and the company was engaged in trading of goods. However, in November 2017, the company was taken over by Mr Deepak Agarwal. ESPL acquired existing plants in Q3FY18, through auction from Official Liquidator of Honourable High Court, Kolkata, and also through bidding in auction notice from bank. Both the plants consisted of ferro-alloy manufacturing facilities as well as steel melting shop. The production has started in November, 2018. The plant capacity is 43645 MTPA of Silico Manganese, as well as 400 Tonnes per day of billets is being manufactured.

About Shakambhari Ispat & Power Ltd

SIPL (erstwhile Maa Chhinnamastika Steel & Power Pvt Ltd) was incorporated in 2001. In December 2010, Kolkata based the Shakambari Group of Industries promoted by Mr. Deepak Agarwal took control of the company. The group has established position in Eastern market in the steel industry.

Financials: Standalone

(Rs. crore)

For the year ended* / As On	31-03-2021	31-03-2022
	Audited	Provisional
Total Operating Income	453.23	724.68
EBITDA	22.53	132.74
PAT	9.13	90.36
Total Debt	120.55	122.08
Tangible Net worth	62.27	176.83



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For the year ended* / As On	31-03-2021	31-03-2022
Adjusted Tangible Net worth	62.27	176.83
EBITDA Margin (%)	4.97	18.32
PAT Margin (%)	2.01	12.44
Overall Gearing Ratio (x)	1.94	0.69
Interest Coverage Ratio (x)	2.65	18.82

*Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Not Applicable.

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
1.	Term Loan	LT	31.50	IVR BB(CE); Issuer Not Cooperating and Withdrawal	IVR BB (CE); ISSUER NOT COOPERATING*(June12,2021)	-	IVR BBB-(CE)^/Stable (Mar 19, 2020)
2.	Cash Credit	LT	33.50	IVR BB(CE); Issuer Not Cooperating and Withdrawal	IVR BB (CE); ISSUER NOT COOPERATING*(June12,2021)	-	IVR BBB-(CE)^/Stable (Mar 19, 2020)
3.	Bank Guarantee	ST	15.00	IVR A4(CE); Issuer Not Cooperating and Withdrawal	IVR A4 (CE); ISSUER NOT COOPERATING*(June12,2021)	-	IVR A3(CE)^ (Mar 19, 2020)
4.	Letter of Credit	ST	10.00	IVR A4(CE); Issuer Not Cooperating and Withdrawal	IVR A4 (CE); ISSUER NOT COOPERATING*(June12,2021)	-	IVR A3(CE)^ (Mar 19, 2020)

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

^ Based on shortfall undertaking from Shakambari Ispat & Power Limited.

Name and Contact Details of the Rating Analyst:



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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

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

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, 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 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
Term Loan	-	-	March 2026	31.50	IVR BB(CE); Issuer Not Cooperating and Withdrawn



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Cash Credit	-	-	-	33.50	IVR BB(CE); Issuer Not Cooperating and Withdrawal
Bank Guarantee	-	-	-	15.00	IVR A4(CE); Issuer Not Cooperating and Withdrawn
Letter of Credit	-	-	-	10.00	IVR A4(CE); Issuer Not Cooperating and Withdrawn

Annexure 2: List of companies considered for consolidated analysis: Not Applicable.

Annexure 3: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/Lender-27-07-22-ESPL.pdf>

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.