



Press Release

Fabro Forge

November 24, 2023

Ratings

| Facilities | Amount (INR crore) | Ratings | Rating Action | Complexity Indicator |
|---|--------------------------------------|---|--|--------------------------------------|
| Long Term Fund based facility- Cash Credit | 6.00 | IVR BB+/ Negative Issuer Not Cooperating (IVR Double B Plus with Negative outlook; Issuer Not Cooperating) * | Revised from IVR BBB-/Stable (IVR Triple B minus with Stable Outlook) and moved to Issuer not co-operating category | Simple |
| Long Term/ Short Term Non-fund based facility- OD/ LC/ BG | 4.00 | IVR BB+/ Negative/ IVR A4+; Issuer Not Cooperating (IVR Double B Plus with Negative outlook/ IVR A four plus; Issuer Not Cooperating) * | Revised from IVR BBB-/Stable/ IVR A3 (IVR Triple B minus with Stable Outlook/ IVR A three) and moved to Issuer not co-operating category | Simple |
| Total | 10.00 (Rupees Ten Crore only) | | | |

* Issuer did not cooperate; based on best available information

Details of Facilities are in Annexure 1

Detailed Rationale

The rating revision is because of lack of adequate information regarding the performance of Fabro Forge 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 revision in outlook from stable to negative is 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 to monitor its assigned rating to the bank facilities, vide e-mail communications dated July 28,



Press Release

2023, September 27, 2023, November 3, 2023 and November 6, 2023. However, despite repeated requests by Infomerics, the entity's management has not submitted complete data/information. Availability of information is very critical in rating exercise. In absence of requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the ratings for the bank loan facilities of Fabro Forge aggregating to Rs.10.00 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB+/ Negative/ IVR A4+ under "Issuer Not Co-operating" category; based on best available information.

Analytical Approach: Consolidated

For arriving at the ratings, Infomerics has considered the combined financials of three entities constituting the Jai Dadi Group considering the same management and strong operational and financial linkages. The list of entities is given in **Annexure 2**.

Liquidity: Unable to comment due to lack of information

Applicable Criteria:

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

[Rating Methodology for manufacturing companies](#)

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

[Criteria of assigning Rating Outlook](#)

[Consolidation of Companies](#)

About the Entity

Established in 2007, Fabro Forge (FF) is a partnership firm engaged in manufacturing of Elastic Rail Clip- II, III, V and HTS Bolts and Nuts. The firm undertakes tender based contracts to supply railway track items

About the group

West Bengal based Jai Dadi group was established in 1988 by Mr. Subhash Kedia. The group is engaged in manufacturing and supplying of railway track and safety items for more than three decades. The entities operating under Jai Dadi Group are Eastern Track Udyog



Press Release

Private Limited, Kedsati Iron & Steel Private Limited and Fabro Forge.

Financials (Combined):

(Rs. crore)

| For the year ended*/ as on | 31-03-2021 | 31-03-2022 |
|----------------------------|------------|------------|
| | Combined | Combined |
| Total Operating Income | 153.26 | 194.44 |
| EBITDA | 21.14 | 21.29 |
| PAT | 8.13 | 8.49 |
| Total Debt | 77.61 | 75.68 |
| Tangible Net Worth | 58.17 | 62.71 |
| EBITDA Margin (%) | 13.79 | 10.95 |
| PAT Margin (%) | 5.23 | 4.30 |
| Overall Gearing Ratio (x) | 1.33 | 1.21 |

*Classification as per Infomerics' Standard

Financials (Standalone):

(Rs. crore)

| For the year ended*/ as on | 31-03-2021 | 31-03-2022 |
|----------------------------|------------|------------|
| | Audited | Audited |
| Total Operating Income | 23.85 | 37.54 |
| EBITDA | 1.36 | 2.06 |
| PAT | 0.52 | 0.68 |
| Total Debt | 13.21 | 13.92 |
| Tangible Net Worth | 3.87 | 1.46 |
| EBITDA Margin (%) | 5.69 | 5.48 |
| PAT Margin (%) | 2.17 | 1.80 |
| Overall Gearing Ratio (x) | 3.41 | 9.54 |

*Classification as per Infomerics' Standard

Status of non-cooperation with previous CRA: Nil

Any other information: Nil



Press Release

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 (Rs. Crore) | Rating | Date(s) & Rating(s) assigned in 2022-23 (Sep 16, 2022) | Date(s) & Rating(s) assigned in 2021-22 | Date(s) & Rating(s) assigned in 2020-21 |
| 1 | Cash Credit | Long Term | 6.00 | IVR BB+/Negative; ISSUER NOT COOPERATING* | IVR BBB-/ Stable | - | - |
| 2 | Bank Guarantee [^] | Long Term/ Short Term | 0.50 | IVR BB+/ Negative/ IVR A4+; ISSUER NOT COOPERATING* | IVR BBB-/ Stable/ IVR A3 | - | - |
| 3 | Overdraft ^{**} | Long Term/ Short Term | 3.50 | IVR BB+/ Negative/ IVR A4+; ISSUER NOT COOPERATING* | IVR BBB-/ Stable/ IVR A3 | - | - |

[^]Letter of credit of Rs. 0.50 crore is a sub limit

^{**}BG and LC of Rs. 3.50 crore are sub limits

* Issuer did not cooperate; based on best available information

Name and Contact Details of the Rating Analyst:

| | |
|---|---|
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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).



Press Release

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.

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 | Tenor/ Maturity | Size of Facility (INR Crore) | Rating Assigned/ Outlook |
|------------------|------------------|-------------|-----------------|------------------------------|--|
| Cash Credit | - | - | - | 6.00 | IVR BB+/Negative; ISSUER NOT COOPERATING* |
| Bank Guarantee^ | - | - | - | 0.50 | IVR BB+/Negative/ IVR A4+; ISSUER NOT COOPERATING* |
| Overdraft** | | | | 3.50 | IVR BB+/Negative/ IVR A4+; ISSUER NOT COOPERATING* |
| Total | | | | 10.00 | |



Press Release

^Letter of credit of Rs. 0.50 crore is a sub limit

**BG and LC of Rs. 3.50 crore are sub limits

* Issuer did not cooperate; based on best available information

Annexure 2: List of entities considered for consolidated analysis:

| Name of the Company/Entity | Consolidation Approach |
|--|-------------------------------|
| Eastern Track Udyog Private Limited (ETUPL) | Full consolidation |
| Kedsati Iron & Steel Private Limited (KISPL) | Full consolidation |
| Fabro Forge | Full consolidation |

Annexure 3: Facility wise lender details: 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.