



Press Release

K B Ispat Private Limited

January 31, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	116.79	IVR BB+/ Negative ISSUER NOT COOPERATING* (IVR Double B Plus with Negative Outlook Issuer Not Cooperating)	IVR BBB-/ Stable (IVR Triple B Minus with Stable outlook)	Rating downgraded and moved to Issuer Not Cooperating category; Outlook revised from Stable to Negative	Simple
Short Term Bank Facilities	13.26	IVR A4+ ISSUER NOT COOPERATING* (IVR A Four Plus Issuer Not Cooperating)	IVR A3 (IVR A Three)	Rating downgraded and moved to Issuer Not Cooperating category	Simple
Total	130.05 (INR one hundred thirty crore and five lakh only)				

**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 has downgraded the ratings and moved the ratings assigned to the bank facilities of K B Ispat Private Limited (KBIPL) in the ISSUER NOT COOPERATING category because of lack of adequate information for rating review from the company and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its ratings and reviews the same as per its policy. The long-term rating outlook has been changed from Stable to Negative due to information availability risk. The lenders, investors and other market participants are thus advised to exercise appropriate



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caution while using these ratings as the ratings may not adequately reflect the credit risk profile of the entity.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned ratings to the bank facilities, vide mail communications dated 4th October 2024, 21st November 2024, 11th December 2024, 02nd January 2025, 21st January 2025, 27th January 2025, 28th January 2025, 29th January 2025, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted 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 ratings based on the best available information. Accordingly, the ratings assigned to the bank loan facilities aggregating to INR 130.05 crore of KBIPL shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the long-term rating be noted as 'IVR BB+/ Negative ISSUER NOT COOPERATING' based on best available information (IVR double B plus with Negative Outlook Issuer not cooperating based on best available information) and the short-term rating be noted as 'IVR A4+ ISSUER NOT COOPERATING' based on best available information (IVR A four plus Issuer not cooperating based on best available information).

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

[Criteria of assigning Rating outlook](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

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

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



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About the Company

Incorporated in 2010, K B Ispat Private Limited is involved in the manufacturing Mild Steel Billets and TMT bars. The installed capacity for billets is 60,000 MTPA while that of TMT bars is 48000 MTPA. The company has an integrated facility with an induction furnace and continuous caster to produce billets using sponge iron and scrap, a part of which are captively consumed towards the production of TMT bars. The company in the process of setting up a Mini Steel Plant employing Induction Furnace & Continuous Casting machine and expand the manufacturing facility of MS billet with additional annual installed capacity of 60,000 MTPA. The production is expected to be used for sale in market and also for captive consumption and manufacture of TMT Bars.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31.03.2023	31.03.2024
	Audited	Audited
Total Operating Income	423.49	382.72
EBITDA	19.61	18.54
PAT	5.53	5.12
Total Debt	43.39	97.15
Tangible Net Worth	37.99	50.61
EBITDA Margin (%)	4.63	4.84
PAT Margin (%)	1.31	1.34
Overall Gearing Ratio (x)	1.14	1.92
Interest Coverage (x)	3.97	3.64

** Classification as per Infomerics' standards.*

Status of non-cooperation with previous CRA: Nil

Any other information: Nil



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Rating History for last three years:

Sr. No.	Name of Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	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
					(Dec 05, 2023)	-	-
1.	Term Loans	Long Term	60.11	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable	-	-
2.	GECL	Long Term	5.73	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable	-	-
3.	Cash Credit	Long Term	50.95	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable	-	-
4.	Bank Guarantee	Short Term	8.00	IVR A4+ ISSUER NOT COOPERATING*	IVR A3		
5.	Letter of Credit	Short Term	5.00	IVR A4+ ISSUER NOT COOPERATING*	IVR A3	-	-
6.	CEL/ Derivative/ Forward Contract	Short Term	0.26	IVR A4+ ISSUER NOT COOPERATING*	IVR A3	-	-

**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).



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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 and definition of ratings please 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: Facility Details

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan 1	-	-	-	Jan 2027	7.35	IVR BB+/ Negative ISSUER NOT COOPERATING*
Term Loan 2	-	-	-	Feb 2031	42.00	IVR BB+/ Negative ISSUER NOT COOPERATING*
Term Loan 3	-	-	-	Jul 2024	10.39	IVR BB+/ Negative ISSUER NOT COOPERATING*
Term Loan 4	-	-	-	Apr 2024	0.37	IVR BB+/ Negative ISSUER NOT COOPERATING*



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GECL 1	-	-	-	Nov 2024	0.35	IVR BB+/ Negative ISSUER NOT COOPERATING*
GECL 2	-	-	-	Mar 2027	3.25	IVR BB+/ Negative ISSUER NOT COOPERATING*
GECL 3	-	-	-	Jul 2024	0.66	IVR BB+/ Negative ISSUER NOT COOPERATING*
GECL 4	-	-	-	Apr 2027	1.47	IVR BB+/ Negative ISSUER NOT COOPERATING*
Cash Credit 1	-	-	-	-	11.00	IVR BB+/ Negative ISSUER NOT COOPERATING*
Cash Credit 2	-	-	-	-	39.95	IVR BB+/ Negative ISSUER NOT COOPERATING*
Bank Guarantee	-	-	-	-	8.00	IVR A4+ ISSUER NOT COOPERATING*
Letter of Credit	-	-	-	-	5.00	IVR A4+ ISSUER NOT COOPERATING*
CEL/ Derivative/ Forward Contract	-	-	-	-	0.26	IVR A4+ ISSUER NOT COOPERATING*

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

Annexure 2: Facility wise lender details: Not Applicable

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: 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 www.infomerics.com.