



## Press Release

### Khayti Ispat Private Limited

February 09, 2023

#### Ratings

Facility	Amount (Rs. Crore)	Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long-term Bank Facilities-Cash Credit	78.00	IVR BB+/Negative; ISSUER NOT COOPERATING* (IVR Double B Plus with Negative Outlook; Issuer Not Cooperating)	Revised from IVR BBB- / Stable and Moved to ISSUER NOT COOPERATING category	Simple
Long-term Bank Facilities-Term Loan	9.00	IVR BB+/Negative; ISSUER NOT COOPERATING* (IVR Double B Plus with Negative Outlook; Issuer Not Cooperating)	Revised from IVR BBB- / Stable and Moved to ISSUER NOT COOPERATING category	Simple
Short-term bank facilities – Letter of Credit	25.00	IVR A4+; ISSUER NOT COOPERATING* (IVR A Four Plus; Issuer Not Cooperating)	Revised from IVR A3 and Moved to ISSUER NOT COOPERATING category	Simple
<b>Total</b>	<b>112.00 (Rs. One Hundred and Twelve crore only)</b>			

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

#### Details of Facilities are in Annexure 1

#### Detailed Rationale

Infomerics has revised and moved the ratings assigned to the bank facilities of Khyati Ispat Private Limited (KIPL) to Issuer Not Cooperating' category because of lack of adequate information from the entity for review of ratings 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 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



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Infomerics has been seeking information from KIPL to monitor the ratings vide E-mail communications dated January 11, 2023, January 19, 2023 and January 27, 2023 and concurrently over several phone calls. However, despite our repeated requests, the entity has not provided the requisite information for monitoring the 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 for the bank loan facilities aggregating to Rs.87.00 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB+/Negative; Issuer Not Co-operating; Based on best available information (IVR Double B Plus with Negative Outlook: Issuer Not Co-operating; Based on best available information) and the short-term ratings for the bank loan facilities aggregating to Rs.25.00 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVRA4+; 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:**

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

[Rating Methodology for Manufacturing Companies](#)

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

### **About the Company**

KIPL was incorporated in the year 1996 by one Agarwal family based out of Raipur, Chhattisgarh to set up a steel plant. The directors of KIPL are Mr. Basant Kumar Agarwal and Mr. Babita Basant Agarwal. The company started its commercial production in 2005. It is engaged in production of rolled products Mild Steel (MS) Billets, MS Angles, MS Channels, MS Flats, MS Round, Thermo-Mechanically Treated (TMT) bars, Joist/Beam and Other ByProducts. The company's manufacturing plant is located in Jarwah, Hiraipur, Raipur (Chhattisgarh) with installed capacity of 114000 MTPA.

**Financials (Standalone):**

For the year ended* / As On	(Rs. crore)	
	31-03-2020	31-03-2021
	<b>Audited</b>	<b>Audited</b>
Total Operating Income	208.62	253.12



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For the year ended* / As On	31-03-2020	31-03-2021
EBITDA	15.95	19.83
PAT	4.19	6.68
Total Debt	74.58	92.28
Tangible Net worth	94.78	101.46
EBITDA Margin (%)	7.65	7.83
PAT Margin (%)	1.96	2.59
Overall Gearing Ratio (x)	0.79	0.91

\* Classification as per Infomerics' standards

**Status of non-cooperation with previous CRA:** Brickwork Ratings has moved the rating to issuer non cooperating category vide its press release dated May 23, 2022, due to lack of cooperation from the client and in absence of information.

**Any other information:** Nil

### Rating History for last three years: (Rs. Crore)

Sr. No.	Name of Instrument/ Facilities	Current Rating (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	Cash Credit	Long Term	78.00	IVR BB+/Negative; ISSUER NOT COOPERATING*	IVR BBB- / Stable Outlook (December 16, 2021)	IVR BBB- / Stable Outlook (November 17, 2021)	IVR BBB- / Stable Outlook (August 18, 2020)	-
2	Term Loan	Long Term	9.00	IVR BB+/Negative; ISSUER NOT COOPERATING*	IVR BBB- / Stable Outlook (December 16, 2021)	-	-	-
3.	Letter of Credit	Short Term	25.00	IVR A4+; ISSUER NOT COOPERATING*	IVR A3 (December 16, 2021)	IVR A3 (November 17, 2021)	IVR A3 (August 18, 2020)	-

# Issuer did not cooperate; based on best available information

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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



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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](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 Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – Cash Credit	-	-	-	78.00	IVR BB+/Negative; ISSUER NOT COOPERATING* (IVR Double B Plus with Negative Outlook; Issuer Not Cooperating)
Long Term Bank Facilities – Term Loan	-	-	February, 2026	9.00	IVR BB+/Negative; ISSUER NOT COOPERATING* (IVR Double B Plus with Negative Outlook; Issuer Not Cooperating)
Short-term bank facilities – Letter of Credit	-	-	-	25.00	IVR A4+; ISSUER NOT COOPERATING* (IVR A Four Plus; Issuer Not Cooperating)

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

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



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**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](http://www.infomerics.com)

