



Press Release

Shri Gautam Shipbreaking Industries Pvt Ltd

April 04, 2022

Ratings

Facility	Amount (Rs. Crore)	Ratings	Rating Action	Complexity Indicator
Long-term/Short-term Bank Facilities	28.00	IVR BB/ IVR A4; ISSUER NOT COOPERATING* (IVR Double B/ IVR A Four; Issuer Not Cooperating)	Revised and Moved to ISSUER NOT COOPERATING category	Simple
Short Term Bank Facilities	45.00	IVR A4; ISSUER NOT COOPERATING* (IVR A Four; Issuer Not Cooperating)	Revised and Moved to ISSUER NOT COOPERATING category	Simple
Total	73.00 (Rs. Seventy-Three crore only)			

** 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 for the bank facilities of Shri Gautam Shipbreaking Industries Pvt Ltd (GSIPL) to '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 company 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 company.

Non-cooperation by Issuer

Infomerics has been seeking information from GSIPL to monitor the rating, vide E-mail communications dated March 01, 2022, March 12, 2022, March 15, 2022, March 17, 2022 and concurrently over several phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the rating. 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 ratings for the bank loan facilities of GSIPL



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aggregating to Rs.73.00 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the long term rating be noted as IVR BB: Issuer Not Cooperating; Based on best available information (IVR Double B: Issuer Not Co-operating; 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: Issuer Not Co-operating; Based on best available information) for the bank facilities.

Analytical Approach: Consolidated. Standalone

Applicable Criteria:

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

[Rating Methodology for Service Sector Companies](#)

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

About the Company

Shri Gautam Shipbreaking Industries Private Limited (GSIPL), incorporated in 1983 at Bhavnagar, Gujrat and is engaged in ship breaking activities. The company operates from the Alang Ship Breaking Yard in Bhavnagar. GSIPL's operations are carried out at the premises leased out by the Gujarat Maritime Board in Bhavnagar and the operation of the company is HKC compliant and RINA Class certified.

The operation of the company is looked after by the Mr. Vinodrai B Bhayani and other two directors along with a team of experienced personnel.

Financials (Standalone):

(Rs. crore)

For the year ended* / As On	31-03-2019	31-03-2020
	Audited	Audited
Total Operating Income	69.17	60.02
EBITDA	3.40	3.37
PAT	1.47	1.70
Total Debt	6.29	7.61
Tangible Net worth	14.05	15.76
EBITDA Margin (%)	4.92	5.61
PAT Margin (%)	2.13	2.83
Overall Gearing Ratio (x)	0.45	0.48

*Classification as per Infomerics' standards



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Status of non-cooperation with previous CRA: Brickwork Ratings vide publication dated April 01, 2021, has migrated the ratings of the company to Issuer not cooperating category on account of absence of adequate 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)	Ratings	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.	Fund based/Non-Fund based ^{\$}	Long Term/Short-term	28.00	IVR BB/A4; ISSUER NOT COOPERATING *	-	IVR BB+ / Stable/ IVR A4+ (March 16, 2021)	-
2.	Line of Credit [#]	Short Term	42.00	IVR A4; ISSUER NOT COOPERATING *	-	IVR A4+ (March 16, 2021)	-
3.	Forward Contract	Short Term	3.00	IVR A4; ISSUER NOT COOPERATING *	-	IVR A4+ (March 16, 2021)	-

^{\$} CC sublimit of LOC; [#]Comprising of sublimit LC and BG

* 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 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.



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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
LT/ST Fund Based/Non-Fund Based Limits ^{\$}	-	-	-	28.00	IVR BB/A4; ISSUER NOT COOPERATING*
ST Non-Fund Based Limits – LOC [#]	-	-	-	42.00	IVR A4; ISSUER NOT COOPERATING*
ST Non-Fund Based Limits – Forward Contract	-	-	-	3.00	IVR A4; ISSUER NOT COOPERATING*

^{\$} CC sublimit of LOC; [#]Comprising of sublimit LC and BG

* Issuer did not cooperate; based on best available information

Annexure 2: Facility wise lender details: not available

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



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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

