



Press Release

Shri Gautam Shipbreaking Industries Private Limited

June 28, 2024

Ratings

Instrument / Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long-term/ Short-term Bank Facilities	28.00	IVR B+/- Negative/ IVR A4 ISSUER NOT COOPERATING* (IVR B plus with Negative Outlook and IVR A four Issuer Not Cooperating)	IVR BB-/- Negative/ IVR A4 ISSUER NOT COOPERATING* (IVR Double B Minus with Negative Outlook and IVR A four Issuer Not Cooperating)	Downgraded and continues in Issuer Not Cooperating category	Simple
Short-term Bank Facilities	45.00	IVR A4 ISSUER NOT COOPERATING* (IVR A Four Issuer Not Cooperating)	IVR A4 ISSUER NOT COOPERATING* (IVR A Four Issuer Not Cooperating)	Reaffirmed and continues in 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/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The ratings downgrade is because of lack of adequate information regarding Shri Gautam Shipbreaking Industries Private Limited's (GSIPL) performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the firm 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 regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities vide E-mail communications dated March 4, 2024, June 5, 2024, June 18, 2024, June 19, 2024, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not



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submitted the surveillance fees and all 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 rating based on the best available information. Accordingly, the long-term and short-term rating for the bank loan facilities of GSIPL aggregating to Rs. 28.00 crore shall remain in the 'ISSUER NOT COOPERATING' category by Infomerics and the long-term/short-term rating be noted as IVR B+/ Negative/ IVR A4 ISSUER NOT COOPERATING; based on best available information (IVR Single B Plus with Negative Outlook and IVR A Four Issuer Not Cooperating; based on best available information) and short-term rating for the bank facilities aggregating to Rs.45.00 crore shall remain in the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR A4 ISSUER NOT COOPERATING; Based on best available information (IVR A Four Issuer Not Cooperating; based on best available information) of GSIPL. Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

Analytical Approach: Standalone

Applicable Criteria:

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

[Rating Methodology for Manufacturing companies](#)

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

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

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

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.



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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):

For the year ended* / As On	(Rs. crore)	
	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
Interest Coverage (x)	2.54	3.06

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Brickwork Ratings vide its press release date April 15, 2024, has continued the ratings in the Issuer Not Cooperating category due to non-submission of information by the company.

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 (May 29, 2023)	Date(s) & Rating(s) assigned in 2022-23 (April 04, 2022)	Date(s) & Rating(s) assigned in 2021-22
1.	Fund based/ Non-Fund based [§]	Long Term/ Short-term	28.00	IVR B+/ Negative/ IVR A4 ISSUER NOT COOPERATING*	IVR BB-/ Negative/ IVR A4 ISSUER NOT COOPERATING*	IVR BB/ A4 ISSUER NOT COOPERATING*	-
2.	Line of Credit [#]	Short Term	42.00	IVR A4 ISSUER NOT COOPERATING*	IVR A4 ISSUER NOT COOPERATING*	IVR A4 ISSUER NOT COOPERATING*	-
3.	Forward Contract	Short Term	3.00	IVR A4 ISSUER NOT COOPERATING*	IVR A4 ISSUER NOT COOPERATING*	IVR A4 ISSUER NOT COOPERATING*	-

[§] CC sublimit of LOC; [#]Comprising of sublimit LC and BG



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**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).

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.



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Annexure 1: Instrument/Facility Details

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Fund Based/Non-Fund Based Limits ^{\$}	-	-	-	28.00	IVR B+/ Negative/ IVR A4 ISSUER NOT COOPERATING*
Letter of Credit [#]	-	-	-	42.00	IVR B+/ Negative ISSUER NOT COOPERATING*
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 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.