



Press Release

Shri Gautam Shipbreaking Industries Pvt Ltd

May 29, 2023

Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long-term/ Short-term Bank Facilities	28.00	IVR BB-/ Negative/ IVR A4 ISSUER NOT COOPERATING* (IVR Double B Minus with Negative Outlook and IVR A Four Issuer Not Cooperating)	Revised from IVR BB/ IVR A4 ISSUER NOT COOPERATING* and continues to remain in Issuer Not Cooperating	Simple
Short Term Bank Facilities	45.00	IVR A4 ISSUER NOT COOPERATING* (IVR A Four Issuer Not Cooperating)	Reaffirmed and continues to remain in Issuer Not Cooperating	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

The ratings revision is because of lack of adequate information regarding Shri Gautam Shipbreaking Industries Pvt Ltd (GSIPL) performance 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 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 February 28, 2023, May 12, 2023, May 16, 2023, May 23, 2023, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted surveillance fees and all the essential details required for detailed review of the assigned ratings.



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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 rating be noted as IVR BB-/ Negative/ IVR A4 ISSUER NOT COOPERATING; based on best available information (IVR Double B Minus 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 & Applicable Criteria: Standalone

[Rating Methodology for Manufacturing companies](#)

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

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

[Criteria of assigning Rating Outlook](#)

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.



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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

* As per Infomerics Standard

Status of non-cooperation with previous CRA: Brickwork Ratings has maintained the rating at issuer not cooperating category due to continuous non-cooperation by the client vide its press release dated April 13, 2023.

Any other information: Nil

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)	Ratings	Date(s) & Rating(s) assigned in 2022-23 (April 04, 2022)	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21 (March 16, 2021)
1.	Fund based/ Non-Fund based ^{\$}	Long Term/ Short-term	28.00	IVR BB-/ Negative/ IVR A4 ISSUER NOT COOPERATING *	IVR BB/ A4 ISSUER NOT COOPERATING*	-	IVR BB+/ Stable/ IVR A4+
2.	Line of Credit [#]	Short Term	42.00	IVR A4 ISSUER NOT COOPERATING *	IVR A4 ISSUER NOT COOPERATING*	-	IVR A4+
3.	Forward Contract	Short Term	3.00	IVR A4 ISSUER NOT	IVR A4 ISSUER NOT COOPERATING*	-	IVR A4+



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Sr. No	Name of Instrument/ Facilities	Current Rating (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Ratings	Date(s) & Rating(s) assigned in 2022-23 (April 04, 2022)	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21 (March 16, 2021)
				COOPERATING *			

\$ CC sublimit of LOC; #Comprising of sublimit LC and BG

*Issuer did not cooperate; based on best available information

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About Infomerics:

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.

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 were 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,



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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
Fund Based/Non-Fund Based Limits ^{\$}	-	-	-	28.00	IVR BB-/ Negative/ IVR A4 ISSUER NOT COOPERATING*
Letter of Credit [#]	-	-	-	42.00	IVR A4 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: 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