



## Infomerics Valuation and Rating Pvt Ltd

Press Release

### Electrosteel Castings Limited.

April 01, 2017

#### Rating

Instrument	Size	Rating	Rating Action
Non Convertible Debentures	Rs.130.00 Crores (proposed)	IVR A/Stable outlook (IVR Single A /Stable outlook)	Withdrawn

Details of Instruments are in Annexure I

Infomerics has withdrawn the IVR A/Stable Outlook (pronounced IVR single A with Stable Outlook) rating assigned to the proposed five year Non Convertible Debenture programme of Electrosteel Castings Ltd. (ECL) for an aggregate amount of Rs.130 Crores. These NCDs were proposed to be placed in two tranches (Tranche I: Rs.100 Crores and Tranche II. Rs.30 Crores) with tranche I repayable in 16 quarterly Instalments after a moratorium of one year and Tranche II repayable in 12 quarterly Instalments after a moratorium of two years. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

#### Detailed Rationale

The aforesaid rating is withdrawn as ECL has not issued the aforesaid NCDs and it does not have any plan to issue such NCDs.

#### List of Key Rating Drivers

Not applicable

#### Detailed Description of Key Rating Drivers

Not applicable

**Analytical Approach:** Not applicable

#### Applicable Criteria

Not applicable

#### About the company

ECL, incorporated as “Dalmia Iron and Steel Limited” in November, 1955, currently belongs to Shri G. Kejriwal and his family of Kolkata. The company manufactures DI pipes, CI (Cast



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Iron) pipes and DI fittings, besides producing pig iron and low ash metallurgical coke (LAMC) majorly for captive consumption with DI pipes and fittings being the major products. ECL is one of the largest players in the D. I. Pipe industry with aggregate manufacturing capacity being 2.8 lakh tones, which is being operated at full capacity. On a standalone basis, it enjoys sizeable market share in this segment. The company has three manufacturing units - two in West Bengal and one in Tamil Nadu. DI pipes are primarily used for water supply, sewerage and transmission with ECL's major customers being government departments, urban local bodies and large infrastructure players.

During FY2016, the company, on a standalone basis, reported a Profit After Tax of Rs.59.0 Crores (Rs.72.6 Crores in FY2015) on a Total Operating Income of Rs.1,972.3 Crores (Rs.2153.8 Crores in FY2015). During 9MFY17, the company reported a PAT of Rs.66.2 Crores (Rs.31.1 Crores in 9MFY16) on a Total Operating Income of Rs.1313.0 Crores (Rs.1424.5 Crores in 9MFY16), on a standalone basis.

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating History for last three years:** As per Annexure II

**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).

**Name and Contact Details of the Rating Analyst:**

Name: Shri Sandeep Bhattacharya

Tel: (022) 40036966

Email: [sbhattacharya@infomerics.com](mailto:sbhattacharya@infomerics.com)

**About Infomerics:**

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and is gradually gaining prominence in domestic rating and/or grading space. Infomerics is striving for positioning itself as the most trusted & credible rating agency in the country and is gradually widening its product portfolio. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.



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### **Disclaimer:**

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### Annexure I: Details of Instrument

Name of Instrument	Date of allotment	Coupon Rate	Maturity Date	Size of the issue (Rs. Crores)	Rating Assigned alongwith Rating Outlook
NCD	Not applicable	Not applicable	Not applicable	130.00 (proposed)	Withdrawn rating: IVR A/Stable outlook (Single A/Stable Outlook)

### Annexure II: Rating History of the last three years

Name of Instrument	Current Ratings			Rating History		
	Type	Proposed Amount (Rs. Crores)	Rating	Date & Rating Assigned in 2015-16	Date & Rating Assigned in 2014-15	Date & Rating Assigned in 2013-14
Non Convertible Debentures	Long Term	130.00	IVR A/ Stable Outlook (withdrawn)  Assigned on November 01, 2016 and withdrawn on March 21, 2017.	Nil	Nil	Nil