



Press Release

Calstar Sponge Limited

August 29, 2018

Rating Update

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|-------------------------------------|--|
| Total Bank Facilities Rated* | Rs. 23.00 Cr. # |
| Long Term Rating | ACUITE BB+ Issuer not co-operating* |
| Short Term Rating | ACUITE A4+ Issuer not co-operating* |

* Refer Annexure for details

Rating Rationale

ACUITE has reviewed long term rating of '**ACUITE BB+ (read as ACUITE double B plus)**' and short term rating of '**ACUITE A4+ (read as ACUITE A four plus)**' on the Rs.23.00 crore bank facilities of CALSTAR SPONGE LIMITED. This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower

ACUITE has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and ACUITE's policies.

Applicable criteria

Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>

Manufacturing Entities - - <https://www.acuite.in/view-rating-criteria-4.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). ACUITE endeavored to gather information about the entity / industry from the public domain. Therefore, ACUITE cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Any other information

ACUITE is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

About the Rated Entity

CSL was incorporated in 2004 by Mr. Tulsi Ram Agarwal and Mr. Vikas Agarwal to manufacture ingots. The company commenced commercial operations in 2006 with installed capacity of 40,000 tons per annum. Thereafter, the company began manufacturing sponge iron from 2008 with capacity of 60,000 tons per annum. In FY2014, the company shifted from manufacture of ingots to billets (same capacity) at Burdwan district, West Bengal.

For FY2015-16, CSL reported PAT of Rs.2.19 crore on operating income of Rs.130.99 crore,

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compared with PAT of Rs.9.72 crore on operating income of Rs.150.23 crore in FY2014-15. For FY2017 (Provisional), the company had registered revenue of around Rs 139 crore.

Rating History (Upto last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Crore) | Ratings/Outlook |
|----------------------------|---------------------------------|------------|--------------------|--------------------------------|
| 19 th Mar 2016 | Cash Credit | Long Term | 8.00 | ACUITE BB+/Stable (Assigned) |
| | Letter of Credit | Short Term | 15.00 | ACUITE A4+ (Assigned) |
| 20 th July 2017 | Cash Credit | Long Term | 8.00 | ACUITE BB+/Stable (Reaffirmed) |
| | Letter of Credit | Short Term | 15.00 | ACUITE A4+ (Reaffirmed) |

*Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Cr.) | Ratings/Outlook |
|------------------------|------------------|----------------|----------------|-----------------------------|-------------------------------------|
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 8.00 | ACUITE BB+ Issuer not co-operating* |
| Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 15.00 | ACUITE A4+ Issuer not co-operating* |

Contacts

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About Acuite Ratings & Research:

Acuite Ratings & Research Limited (*Erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities,

debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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