



Press Release
CALSTAR SPONGE LIMITED
March 04, 2024
Rating Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	24.00	Not Applicable Withdrawn	-
Bank Loan Ratings	15.30	-	Not Applicable Withdrawn
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	39.30	-	-

Rating Rationale

Acuite has withdrawn the long-term and short-term rating on the Rs.39.30 Cr. bank facilities of Calstar Sponge Limited (CSL).

The rating has been withdrawn on Acuite's policy of withdrawal of ratings. The rating has been withdrawn on account of the request received from the company, and the NDC received from the banker. Since the loan availed by the company has been repaid, the rating has been withdrawn.

About the Company

Calstar Sponge Limited (CSL) was incorporated in the year 2004, established by Mr. Tulsi Ram Agarwal and Mr. Vikas Agarwal for the manufacturing of angles, sponge iron and billets. The current directors of the company are Mr. Tulsi Ram Agarwal, Mr. Vikas Agarwal, Mr. Rajiv Agarwal and Mr. Vinay Agarwal. CSL has two manufacturing facilities in West Bengal near Durgapur at Jamuria and Bamunara. Currently, the company has integrated steel manufacturing facilities for sponge iron (capacity- 1,46,000 MTPA), Billet (capacity – 73,000 MTPA) and a captive power plant of 12 MW in Jamuria Unit. The old Bamunara unit of Billet (capacity – 72,000 MTPA) and Rolling Mill Unit (48000 MTPA) has been rented out since May '22 of FY23 on a rental income of Rs 2.4cr per annum.

Unsupported Rating

Not Applicable

Analytical Approach

Not Applicable

Key Rating Drivers

Strengths

Not Applicable

Weaknesses

Not Applicable

Rating Sensitivities

Not Applicable

Liquidity Position

Not Applicable

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	362.37	150.39
PAT	Rs. Cr.	18.58	11.53
PAT Margin	(%)	5.13	7.67
Total Debt/Tangible Net Worth	Times	0.12	(0.02)
PBDIT/Interest	Times	89.87	33.77

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
04 Jan 2023	Cash Credit	Long Term	24.00	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Positive)
	Letter of Credit	Short Term	8.50	ACUITE A2 (Upgraded from ACUITE A3+)
	Bank Guarantee/Letter of Guarantee	Short Term	6.80	ACUITE A2 (Upgraded from ACUITE A3+)
07 Feb 2022	Proposed Short Term Bank Facility	Short Term	1.80	ACUITE A3+ (Assigned)
	Bank Guarantee/Letter of Guarantee	Short Term	5.00	ACUITE A3+ (Reaffirmed)
	Letter of Credit	Short Term	8.50	ACUITE A3+ (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	10.00	ACUITE BBB Positive (Assigned)
	Cash Credit	Long Term	14.00	ACUITE BBB Positive (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Indian Bank	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	6.80	Not Applicable Withdrawn
Indian Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	24.00	Not Applicable Withdrawn
Indian Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	8.50	Not Applicable Withdrawn

Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294017 mohit.jain@acuite.in Dipti Choudhary Analyst-Rating Operations Tel: 022-49294065 dipti.choudhary@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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