



Press Release
Pankaj Ispat Limited
October 10, 2023

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	19.60	ACUITE BB+ Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	19.60	-	-

Rating Rationale

Acuite has downgraded its long term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**)' from **Acuite BBB (Read as Acuite Triple B)** on the Rs. 19.60 crore bank facilities of Pankaj Ispat Private Limited. This rating is now an indicative rating and is based on best available information

The rating has been downgraded on account of information risk .

About the Company

Incorporated in 2006, Pankaj Ispat Limited (PIL) is a Raipur, Chhattisgarh based company, engaged in manufacturing of MS Ingots and TMT bars. Currently, the company is headed by Mr. Pankaj Agarwal, Mr. Lalit Agarwal and Ms. Pooja Agrawal. The company has a capacity of 54000 MTPA of Ingots and 45000 MTPA of TMT bars.

About the Group

Established in 2000, Pankaj group was promoted by Agarwal family of Raipur, Chhattisgarh. The group consists of Pankaj Ispat Limited (PIL), Alankar Alloys Private Limited (AAPL), Sourabh Rolling Mills Private Limited (SRMPL) and Tridev Ispat Private Limited (TIPL). The group is engaged in the business of steel and steel products. Currently, the group has a capacity of 78000 MTPA of Ingots, 156690 MTPA of Billets, 182000 MTPA of TMT and 30000 MTPA of Pipes. The group sells its products under the brand name of "Sagar" for both TMT and pipes.

Incorporated in 2006, Alankar Alloys Private Limited (AAPL) is a Raipur, Chhattisgarh based company, engaged in manufacturing of MS Billets and TMT bars. Currently, the company is headed by Mr. Akash Agrawal and Mrs. Usha Devi Agrawal. The company has a capacity of 72000 MTPA of Billets and 65000 MTPA of TMT bars.

Established in 2004, Sourabh Rolling Mills Private Limited (SRMPL) is a Raipur based company, engaged in manufacturing of MS Billets, Pipes, TMT bars and Strips. Currently, the company is headed by Mr. Pankaj Agrawal and Mr. Lalit Agrawal. The company has a capacity of 84960 MTPA of Billets and 72000 MTPA of Rolling Mills and 30000 MTPA of Pipes.

Incorporated in 2006, Tridev Ispat Private Limited (TIPL) is a Raipur based company, engaged in manufacturing of MS Ingots. Currently, the company has a capacity of 24000 MTPA of Ingots.

Non-cooperation by the issuer/borrower

Acuité 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 the due date. Acuité believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

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). Acuité endeavoured to gather information about the entity/ industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

"No information provided by the issuer / available for Acuite to comment upon."

All Covenants

Not Applicable

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	1443.92	968.35
PAT	Rs. Cr.	10.18	16.62
PAT Margin	(%)	0.70	1.72
Total Debt/Tangible Net Worth	Times	1.15	0.98
PBDIT/Interest	Times	4.33	4.87

Status of non-cooperation with previous CRA

Care Ratings vide its press release dated 20 July 2023, has mentioned the rating of Pankaj Ispat Limited to B- Issuer Not Cooperating.

Any other information

Acuite is yet to receive the latest No Default Statement from the rated entity despite repeated requests and followups.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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
22 Jul 2022	Covid emergency line	Long Term	2.41	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE BBB Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	0.47	ACUITE BBB Stable (Reaffirmed)
	Covid emergency line	Long Term	0.17	ACUITE BBB Stable (Reaffirmed)
	Covid emergency line	Long Term	1.55	ACUITE BBB Stable (Reaffirmed)
29 Jun 2021	Working Capital Term Loan	Long Term	1.50	ACUITE BBB Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	3.10	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE BBB Stable (Reaffirmed)
09 Jun 2021	Cash Credit	Long Term	15.00	ACUITE BBB Stable (Assigned)
	Working Capital Term Loan	Long Term	3.10	ACUITE BBB Stable (Assigned)
	Working Capital Term Loan	Long Term	1.50	ACUITE BBB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Punjab National Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	15.00	ACUITE BB+ Downgraded Issuer not co-operating*
Punjab National Bank	Not Applicable	Covid Emergency Line.	Not Applicable	Not Applicable	Not Applicable	Simple	0.17	ACUITE BB+ Downgraded Issuer not co-operating*
Punjab National Bank	Not Applicable	Covid Emergency Line.	Not Applicable	Not Applicable	Not Applicable	Simple	2.41	ACUITE BB+ Downgraded Issuer not co-operating*
Punjab National Bank	Not Applicable	Covid Emergency Line.	Not Applicable	Not Applicable	Not Applicable	Simple	1.55	ACUITE BB+ Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	0.47	ACUITE BB+ Downgraded Issuer not co-operating*

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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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