



Press Release
ELEC STEEL PROCESSING INDUSTRIES PRIVATE LIMITED
May 07, 2025
Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	44.13	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	20.75	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	64.88	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

* The issuer did not co-operate; based on best available information.

Rating Rationale

Acuité has downgraded its long-term rating to ‘**ACUITE BB+**’ (read as **ACUITE Double B plus**) from ‘**ACUITE BBB-**’ (read as **ACUITE Triple B Minus**) and the short-term rating to ‘**ACUITE A4+**’ (read as **ACUITE A four Plus**) from ‘**ACUITE A3**’ (read as **ACUITE A Three**) on Rs. 64.88 crore bank facilities of Elec Steel Processing Industries Private Limited (ESPIPL). The rating is now flagged as “Issuer Not-Cooperating” on account of information risk and is based on the best available information. The rating is downgraded on account of information risk.

About the Company

ESPIPL is engaged into manufacturing of transformer laminations made from grain oriented electrical steels (iron-silicon alloys) which provides low core loss and high permeability needed for electrical transformers. - ESPIPL also manufactures toroidal cores for metering transformers. The company imports cold-rolled grain oriented silicon steel (CRGO) and cold-rolled non-grain oriented silicon steel (CRNGO) sheets.

ESPIPL, got converted into a private limited company in September 2022; named “Elec Steel Processing Industries Private Limited”. The company has 4 operational plants situated in Vadodara, Gujarat. Out of which, 2 plants situated in GIDC Vadodara, would be shifted to the new location at Vadodara itself; in the ongoing debt funded capex to enhance the production capacity and reduce the turnaround time. One of the four plants is exclusively set up to cater to the requirements of Hitachi Energy India Ltd. The plants situated in GIDC which are to be relocated, would be used as warehouses after completion of capex. ESPIPL is currently promoted by Mr. Harshad Bagadia & Mr. Paras Bagadia.

Unsupported Rating

Not Applicable

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 Acuite’s policies.

Limitation regarding information availability

This rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower) . Acuite endeavoured to gather information about the entity/industry from the public domain. Any rating with the suffix 'Issuer not cooperating' is assigned without any management interaction with the issuer entity or any data / information from the entity. Sometimes this non co-operation by a

rated entity may be due to a result of deterioration in the credit risk profile of the entity. Therefore, Acuite 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

Liquidity Position

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

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	140.16	91.88
PAT	Rs. Cr.	5.47	1.32
PAT Margin	(%)	3.90	1.44
Total Debt/Tangible Net Worth	Times	1.19	1.46
PBDIT/Interest	Times	4.54	2.69

Status of non-cooperation with previous CRA

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.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, Acuité 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
15 Feb 2024	Letter of Credit	Short Term	20.00	ACUITE A3 (Assigned)
	Proposed Short Term Loan	Short Term	0.75	ACUITE A3 (Assigned)
	Covid Emergency Line.	Long Term	0.91	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	25.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	14.44	ACUITE BBB- Stable (Assigned)
	Proposed Term Loan	Long Term	0.94	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	2.04	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	0.30	ACUITE BBB- Stable (Assigned)
	Covid Emergency Line.	Long Term	0.50	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Bank of Baroda	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Bank of Baroda	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	30 Jun 2024	0.50	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Bank of Baroda	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	30 Nov 2026	0.91	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Bank of Baroda	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3)
Not Applicable	Not avl. / Not appl.	Proposed Short Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.75	Simple	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3)
Not Applicable	Not avl. / Not appl.	Proposed Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.94	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Bank of Baroda	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	28 May 2028	2.04	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Bank of Baroda	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Oct 2027	0.30	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Bank of Baroda	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Oct 2030	14.44	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)

* The issuer did not co-operate; based on best available information.

Contacts

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About Acuité Ratings & Research

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