



## Rating Rationale

### Anshul Steels Limited

15 March 2018

**Brickwork Ratings has reviewed the Rating for the Bank Loan facilities of ₹ 38.52 Crore of Anshul Steels Limited based on best available information, as the issuer did not cooperate. Accordingly the ratings for the said Bank Loan Facilities have been reaffirmed to BWR D and migrated to the Issuer Not Cooperating category**

#### Particulars

Facility	Amount (₹ Cr)		Tenure	Rating*	
	Previous	Present **		Previous (Feb, 2016)	Present
<b>Fund Based</b> Cash Credit Term Loan Working Capital Term Loan (WCTL)	<b>37.52</b> 22.00 2.52 13.00	<b>37.52</b> 22.00 2.52 13.00	<b>Long Term</b>	<b>BWR D</b> (Pronounced BWR Single D)	<b>BWR D</b> (Pronounced BWR Single D) <b>ISSUER NOT COOPERATING</b> Reaffirmed
<b>Non Fund Based</b> Bank Guarantee	<b>1.00</b> 1.00	<b>1.00</b> 1.00	<b>Short Term</b>		
<b>Total</b>	<b>38.52</b>	<b>38.52</b>	<b>₹ Thirty Eight Crores and Fifty Two Lakhs Only</b>		

\*Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

\*\* As per the information provided in 2016

Issuer did not cooperate; based on best available information

#### **Ratings: Reaffirmed and migrated to Issuer Not Cooperating Category**

In view of the non availability of the information and lack of management cooperation, Brickwork Ratings has reaffirmed the rating for bank loan facilities amounting to Rs. 38.52 crores of Anshul Steels Limited (ASL).

#### **Nature of Non Cooperation:**

The rating was due for a review in Feb, 2017. BWR took up with the issuer to provide required information over e-mails dated 17th January 2018 & 2nd February, 2018 and through telephone calls. Despite the best efforts of BWR to get at least the minimum required information for a



review, the entity has not provided the same. In the absence of adequate information from the issuer/Company, BWR is unable to assess the issuer's/Company's financial performance and its ability to service its debt and maintain a valid rating.

**Limitations of the rating:** Information availability risk is a key factor in the assessment of credit risk as generally, non cooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress.

**About the Company (July, 2014)**

Anshul Steels Ltd (ASL) is incorporated in December, 2004 by its promoters Mangal family. The Company is engaged in manufacturing of Sponge Iron, M. S. Ingot, and Iron Steel Merchant. The production capacity of Sponge Iron is 60,000 MT p.a. and that of M.S. Ingot is 36,000 MT p.a.

Anshul Steels Limited (ASL) is promoted and managed by Mangal family, namely Mr. Kushal Mangal and his brother Mr. Anand Mangal; both of them have over a decade experience in the steel industry.

**Rating History for the last three years (including withdrawn/suspended ratings)**

Instrument /Facility	Current Rating (2018)			Rating History		
	Type	Amount (₹ Cr)	Rating^	2017	2016	2015
<b>Fund Based</b> Cash Credit Term Loan Working Capital Term Loan (WCTL)	Long Term	37.52	Issuer not cooperating; BWR D (Reaffirmed)	NA	BWR D	NA
22.00						
2.52						
13.00						
<b>Non Fund Based</b> Bank Guarantee	Short Term	1.00		NA		NA
		1.00				
<b>Total</b>		<b>38.52</b>	<b>₹ Thirty Eight Crores and Fifty Two Lakhs Only</b>			

^Issuer did not cooperate; based on best available information

**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [What Constitutes Non-Cooperation](#)
- [Approach to Financial Ratios](#)

**Anshul Steels Limited**  
**Annexure I**

Particulars	Units	2013 (A)	2012 (A)
Operating Revenues	₹ Cr	66.25	77.10
EBITDA	₹ Cr	7.28	10.41
PAT	₹ Cr	0.77	3.02
Tangible Networth	₹ Cr	22.81	22.04
Total Debt : TNW	Times	1.53	1.32
Current Ratio	Times	1.22	1.33

*Note: As per information available with BWR*

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**For print and digital media**

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

**Note on complexity levels of the rated instrument:**

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

**About Brickwork Ratings**

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy



(MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 10,00,000 Cr. In addition, BWR has rated over 6300 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹24,440 Cr have been rated.

#### **DISCLAIMER**

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.