

February 24, 2023

Shri Bajrang Power And Ispat Limited: Ratings withdrawn

Summary of rating action

| Instrument* | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action |
|--|-----------------------------------|----------------------------------|-----------------------------|
| Long-term Fund-based TL | 371.31 | 371.31 | [ICRA]A-(Stable); Withdrawn |
| Long-term Fund-based CC | 465.00 | 465.00 | [ICRA]A-(Stable); Withdrawn |
| Short-term Non-Fund based - Letter of Credit | 410.00 | 410.00 | [ICRA]A2+; Withdrawn |
| Short-term Non-Fund based - Bank Guarantee | 35.00 | 35.00 | [ICRA]A2+; Withdrawn |
| Short-term Non-Fund based - Others | 10.00 | 10.00 | [ICRA]A2+; Withdrawn |
| Total | 1291.31 | 1291.31 | |

*Instrument details are provided in Annexure-I

Rationale

ICRA has withdrawn the rating assigned to the bank facilities of Shri Bajrang Power and Ispat Limited at the request of the company and based on the receipt of the 'No Objection Certificate' from the lenders for the withdrawal of rating and in accordance with ICRA's policy on withdrawal of credit ratings. ICRA is withdrawing the rating and it does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The Key rating drivers, Liquidity position, Rating sensitivities, Key financial indicators have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

| Analytical Approach | Comments |
|---------------------------------|--|
| Applicable rating methodologies | ICRA Policy on Withdrawal of Credit Ratings Corporate Credit Rating Methodology Rating Methodology for Solar Power Producers Rating Approach – Consolidation Entities in the Ferrous Metals Industry |
| Parent/Group support | Not Applicable |
| Consolidation/Standalone | For arriving at the rating, ICRA has considered the consolidated financials of Shri Bajrang Power and Ispat Limited. The details of consolidation are there in Annexure II |

About the company

Set up in 2002 by the Raipur-based Goel family, SBPIL has an integrated steel plant with a captive power plant located at Urla Industrial Complex, Raipur, Chhattisgarh. The company is promoted by Mr. Suresh Goel, Mr. Rajendra Goel, Mr. Narendra Goel and Mr. Anand Goel. The promoters have more than three decades of experience in the steel industry. The company has three units located at Borjhara, Gondawara and Tilda (all are located in Urla Industrial Complex).

The company has various divisions including sponge iron, billet, thermo-mechanically treated bar (TMT), waste heat recovery boiler (WHRB) for power generation, hard bright (HB) wire, iron ore beneficiation, pellet and captive power plant (coal and biomass based), and tubular section mill for ERW pipes. The company utilises captive iron mine with an approval to mine 1.2 MTPA and manganese ore mines to manufacture intermediate and long steel products such as TMT bars, ERW pipes, wire rods, HB wires including binding wires, ferro alloys, steel billets, iron pellets and sponge iron.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

| Instrument | Type | Amount rated (Rs. crore) | Amount outstanding (Rs. crore) | Current rating (FY2023) | | | Chronology of rating history for the past 3 years | | |
|-------------------------|------------|--------------------------|--------------------------------|-----------------------------|------------------|------------------|---|-------------------------|-------------------------|
| | | | | Date & rating in FY2023 | | | Date & rating in FY2022 | Date & rating in FY2021 | Date & rating in FY2020 |
| | | | | Feb 24, 2023 | Jun 13, 2022 | May 19, 2022 | Sep 30, 2021 | - | - |
| 1 Term Loans | Long Term | 371.31 | 371.31* | [ICRA]A-(Stable); Withdrawn | [ICRA]A-(Stable) | [ICRA]A-(Stable) | [ICRA]A-(Stable) | - | - |
| 2 Cash Credit | Long-term | 465.00 | - | [ICRA]A-(Stable); Withdrawn | [ICRA]A-(Stable) | [ICRA]A-(Stable) | [ICRA]A-(Stable) | - | - |
| 3 Letter of Credit | Short-term | 410.00 | - | [ICRA]A2+; Withdrawn | [ICRA]A2+ | [ICRA]A2+ | [ICRA]A2+ | - | - |
| 4 Bank Guarantee | Short-term | 35.00 | - | [ICRA]A2+; Withdrawn | [ICRA]A2+ | [ICRA]A2+ | [ICRA]A2+ | - | - |
| 5 Credit Exposure Limit | Short-term | 10.00 | - | [ICRA]A2+; Withdrawn | [ICRA]A2+ | [ICRA]A2+ | [ICRA]A2+ | - | - |

Source – Company; *As on Mar 31, 2022

Complexity level of the rated instruments

| Instrument | Complexity Indicator |
|--|----------------------|
| Long-term Fund-based TL | Simple |
| Long-term Fund-based CC | Simple |
| Short-term Non-Fund based - Letter of Credit | Very Simple |
| Short-term Non-Fund based - Bank Guarantee | Very Simple |
| Short-term Non-Fund based - Others | Very Simple |

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

| ISIN No | Instrument Name | Date of Issuance | Coupon Rate | Maturity | Amount Rated (Rs. Crore) | Current Rating and Outlook |
|---------|-----------------------|------------------|-------------|-------------------|--------------------------|-----------------------------|
| NA | Term Loan | Feb 2021 | NA | FY2031 | 50.76 | [ICRA]A-(Stable); Withdrawn |
| NA | Term Loan | Nov 2020 | NA | FY2031 | 106.36 | [ICRA]A-(Stable); Withdrawn |
| NA | Term Loan | Feb 2022 | NA | FY2027/2028/ 2031 | 214.19 | [ICRA]A-(Stable); Withdrawn |
| NA | Cash Credit | NA | NA | NA | 120.00 | [ICRA]A-(Stable); Withdrawn |
| NA | Cash Credit | NA | NA | NA | 112.00 | [ICRA]A-(Stable); Withdrawn |
| NA | Cash Credit | NA | NA | NA | 173.00 | [ICRA]A-(Stable); Withdrawn |
| NA | Cash Credit | NA | NA | NA | 60.00 | [ICRA]A-(Stable); Withdrawn |
| NA | Letter of Credit | NA | NA | NA | 60.00 | [ICRA]A2+; Withdrawn |
| NA | Letter of Credit | NA | NA | NA | 258.00 | [ICRA]A2+; Withdrawn |
| NA | Letter of Credit | NA | NA | NA | 40.00 | [ICRA]A2+; Withdrawn |
| NA | Letter of Credit | NA | NA | NA | 52.00 | [ICRA]A2+; Withdrawn |
| NA | Bank Guarantee | NA | NA | NA | 5.00 | [ICRA]A2+; Withdrawn |
| NA | Bank Guarantee | NA | NA | NA | 5.00 | [ICRA]A2+; Withdrawn |
| NA | Bank Guarantee | NA | NA | NA | 25.00 | [ICRA]A2+; Withdrawn |
| NA | Credit Exposure Limit | NA | NA | NA | 10.00 | [ICRA]A2+; Withdrawn |

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis:

| Company Name | Status | Ownership | Consolidation Approach |
|--|------------------|-----------|------------------------|
| Shri Bajrang Energy Private Limited | Subsidiary | 79.83% | Full Consolidation |
| S B Power | Partnership firm | 51% | Full Consolidation |
| IA Hydro Energy Private Limited | Subsidiary | 90.46% | Full Consolidation |
| Shri Bajrang Steel Corporate Limited | Subsidiary | 100% | Full Consolidation |
| Chhattisgarh Captive Coal Mining Pvt. Ltd. | Joint Venture | 19% | Joint Venture |

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