

May 27, 2019

Goa Sponge & Power Limited: Ratings Withdrawn

Summary of rated instruments

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action*
Fund-based – Term Loan	26.00	26.00	[ICRA]B- (Stable); Withdrawn
Fund-based – Cash Credit	46.00	46.00	[ICRA]B- (Stable); Withdrawn
Fund-based – Bill Discounting	5.00	5.00	[ICRA]A4; Withdrawn
Non-fund Based – Letter of Guarantee	4.00	4.00	[ICRA]A4; Withdrawn
Unallocated Limit	39.83	39.83	[ICRA]A4; Withdrawn
Total	120.83	120.83	

*Issuer did not cooperate; based on best available information

^Instrument details are provided in Annexure-1

Rating action

ICRA has withdrawn the long-term rating of **[ICRA]B-** (pronounced ICRA B minus)¹ with a stable outlook and the short-term rating of **[ICRA]A4** (pronounced ICRA A four) assigned to the Rs. 120.83-crore² bank facilities of Goa Sponge & Power Limited (GSPL/the company).

Rationale

The ratings are withdrawn in accordance with ICRA's policy on withdrawal and suspension, at the request of the company, and on the basis of the no objection certificate received from its banker.

Outlook: Not applicable

Key rating drivers

Not Applicable

Liquidity position

Not Applicable

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA Policy on Withdrawal and Suspension of Credit Rating Corporate Credit Rating Methodology Entities in the Ferrous Metals Industry
Parent/Group Support	Not Applicable
Consolidation / Standalone	Not Applicable

About the company:

Incorporated in 2002, Goa Sponge & Power Limited (GSPL) manufactures sponge iron and mild steel (MS) billets from its manufacturing unit at Sanguem, Goa. The company has an installed capacity of 90,000 metric tonnes per annum (MTPA) for sponge iron and 90,000 MTPA for MS billets. GSPL also has a captive power plant (CPP) of 12 megawatt (MW).

Key financial indicators

	FY2017 Audited	FY2018 Audited	H1 FY2019 Provisional
Operating Income (Rs. crore)	223.1	324.2	244.7
PAT (Rs. crore)	1.8	0.9	2.8*
OPBDIT/OI (%)	9.5%	6.1%	4.5%
RoCE (%)	7.8%	8.3%	9.3%
Total Debt/TNW (times)	1.0	0.8	0.6
Total Debt/OPBDIT (times)	4.7	4.1	3.0
Interest Coverage (times)	1.5	1.4	2.0

*Profit before tax (PBT)

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

Current Rating (FY2020)				Chronology of Rating History for the past 3 years							
Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs Crore)	Date & Rating May 2019	Date & Rating in FY2019			Date & Rating in FY2018		Date & Rating in FY2017	
					Jan 2019	Jul 2018	-	Feb 2017	May 2016		
1	Fund-based –Term Loan	26.00	26.00	[ICRA]B-(Stable); Withdrawn	[ICRA]B-(Stable); Removed from 'Issuer Not Cooperating' category	[ICRA]D ISSUER NOT COOPERATING	-	[ICRA]D	[ICRA]D	[ICRA]D	[ICRA]D
2	Fund-based – Cash Credit	46.00	-	[ICRA]B-(Stable); Withdrawn	[ICRA]B-(Stable); Removed from 'Issuer Not Cooperating' category	[ICRA]D ISSUER NOT COOPERATING	-	[ICRA]D	[ICRA]D	[ICRA]D	[ICRA]D
3	Fund-based – Bill Discounting	5.00	-	[ICRA]A4; Withdrawn	[ICRA]A4; Removed from 'Issuer Not Cooperating' category	[ICRA]D ISSUER NOT COOPERATING	-	[ICRA]D	[ICRA]D	[ICRA]D	[ICRA]D
4	Non-fund Based – Letter of Guarantee	4.00	-	[ICRA]A4; Withdrawn	[ICRA]A4; Removed from 'Issuer Not Cooperating' category	[ICRA]D ISSUER NOT COOPERATING	-	[ICRA]D	[ICRA]D	[ICRA]D	[ICRA]D
5	Unallocated Limit	39.83	-	[ICRA]A4; Withdrawn	[ICRA]A4; Removed from 'Issuer Not Cooperating' category	[ICRA]D ISSUER NOT COOPERATING	-	[ICRA]D	[ICRA]D	[ICRA]D	[ICRA]D

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan	-	-	-	26.00	[ICRA]B- (Stable); Withdrawn
NA	Cash Credit	-	-	-	46.00	[ICRA]B- (Stable); Withdrawn
NA	Bill Discounting	-	-	-	5.00	[ICRA]A4; Withdrawn
NA	Letter of Guarantee	-	-	-	4.00	[ICRA]A4; Withdrawn
NA	Unallocated Limit	-	-	-	39.83	[ICRA]A4; Withdrawn

Source: Goa Sponge & Power Limited

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