

Crimson Metal Engineering Company Limited

October 05, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities	-	-	Withdrawn
Short Term Bank Facilities	-	-	Withdrawn
Total Bank Facilities	-		

*Details in Annexure I.

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the ratings assigned to the bank facilities of Crimson Metal Engineering Company Limited (CMECL) with immediate effect as the company has repaid the aforementioned bank facilities in full and there is no amount outstanding under the facility as on date.

Analytical approach: Standalone

Applicable Criteria

[Policy on Withdrawal of ratings](#)

About the Company:

CMECL, formerly known as Sri Saarbati Steel Tubes Limited, was incorporated as a public limited company in February 1985 by Mr Vinay Kumar Goyal in Chennai. CMECL is engaged in manufacture of Electrical Resistance Welded (ERW) pipes and tubes like Black & GI pipes, GP coils, square & rectangular pipes, etc. Mr Vinay Kumar Goyal, is a graduate, having over two decades of experience in steel industry. He looks after the overall day-to-day affairs of the company with assistance from a board of Directors who have experience of more than a decade in the industry.

Brief Financials (Rs. crore)	FY20(A)	FY21(A)
Total operating income	7.26	9.35
PBILDT	3.23	4.52
PAT(After deferred tax)	0.08	0.39
Overall gearing (times)	2.51	3.94
Interest coverage (times)	1.61	1.63

*A-Audited

Status of non-cooperation with previous CRA: NIL

Any other information: NA

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	0.00	Withdrawn
Fund-based - LT-Term Loan	-	-	-	0.00	Withdrawn
Non-fund-based - ST-Letter of credit	-	-	-	0.00	Withdrawn

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Fund-based - LT-Cash Credit	LT*	-	-	-	1)CARE B-; ISSUER NOT COOPERATING* (24-Nov-20)	1)CARE B; ISSUER NOT COOPERATING* (26-Aug-19)	1)CARE B; ISSUER NOT COOPERATING* (10-Sep-18)
2.	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE B-; ISSUER NOT COOPERATING* (24-Nov-20)	1)CARE B; ISSUER NOT COOPERATING* (26-Aug-19)	1)CARE B; ISSUER NOT COOPERATING* (10-Sep-18)
3.	Non-fund-based - ST-Letter of credit	ST*	-	-	-	1)CARE A4; ISSUER NOT COOPERATING* (24-Nov-20)	1)CARE A4; ISSUER NOT COOPERATING* (26-Aug-19)	1)CARE A4; ISSUER NOT COOPERATING* (10-Sep-18)

*LT – Long term; ST – Short term

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities- Not Applicable**Annexure 4: Complexity level of various instruments rated for this company**

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple
2.	Fund-based - LT-Term Loan	Simple
3.	Non-fund-based - ST-Letter of credit	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact

Mradul Mishra

Contact no. – +91-22-6837 4424

Email ID – mradul.mishra@careratings.com

Analyst Contact

Name – Swathi Subramanian

Contact no.- 0422-4502399

Email ID – swathi.subramanian@careratings.com

Business Development Contact

Name: Pradeep Kumar

Contact no. :044-28501001

Email ID : pradeep.kumar@careratings.com

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**