

Press Release

Lonestar Industries

August 11, 2022



Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	11.93	-	ACUITE A4+ Reaffirmed Issuer not co-operating*
Bank Loan Ratings	3.00	ACUITE BB- Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	14.93	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB-'** (read as **ACUITE double B minus**) from '**ACUITE BB**' (read as **ACUITE double B**) and reaffirmed the short-term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 14.93 crore bank facilities of Lonestar Industries (LI). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

LI, incorporated in 1985, is a Chennai-based firm engaged in the manufacture of metal expansion joints and bellows used in pipelines, process products, and turbine among others. The day-to-day operations of the company are headed by Mr. G. Umamagesh as the managing partner of the company.

Non-cooperation by the issuer/borrower:

Acuite 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.

This rating continues to be flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuite endeavored to gather information about the entity/industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit

rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Rating Sensitivity

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

Material Covenants

None

Liquidity Position

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

Outlook

Not Applicable

Status of non-cooperation with previous CRA

None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
17 May 2021	Letter of Credit	Short Term	1.75	ACUITE A4+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	10.00	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	3.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Proposed Letter of Credit	Short Term	0.18	ACUITE A4+ (Issuer not co-operating*)
18 Feb	Letter of Credit	Short Term	1.75	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	3.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)

2020	Proposed Letter of Credit	Short Term	0.18	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	10.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
18 Nov 2019	Bank Guarantee	Short Term	10.00	ACUITE A3+ (Issuer not co-operating*)
	Letter of Credit	Short Term	1.75	ACUITE A3+ (Issuer not co-operating*)
	Cash Credit	Long Term	3.00	ACUITE BBB (Issuer not co-operating*)
	Proposed Letter of Credit	Short Term	0.18	ACUITE A3+ (Issuer not co-operating*)
22 Aug 2018	Cash Credit	Long Term	3.00	ACUITE BBB (Issuer not co-operating*)
	Letter of Credit	Short Term	1.75	ACUITE A3+ (Issuer not co-operating*)
	Proposed Letter of Credit	Short Term	0.18	ACUITE A3+ (Issuer not co-operating*)
	Bank Guarantee	Long Term	10.00	ACUITE BBB (Issuer not co-operating*)
12 Oct 2016	Term Loan	Long Term	2.07	ACUITE BBB+ Stable (Withdrawn)
	Cash Credit	Long Term	3.00	ACUITE BBB+ Stable (Reaffirmed)
	Letter of Credit	Short Term	1.75	ACUITE A2 (Reaffirmed)
	Proposed Letter of Credit	Short Term	0.18	ACUITE A2 (Reaffirmed)
	Bank Guarantee	Short Term	10.00	ACUITE A2 (Reaffirmed)
25 Aug 2015	Term Loan	Long Term	2.07	ACUITE BBB+ Stable (Assigned)
	Cash Credit	Long Term	3.00	ACUITE BBB+ Stable (Assigned)
	Letter of Credit	Short Term	1.75	ACUITE A2 (Assigned)
	Proposed Letter of Credit	Short Term	0.18	ACUITE A2 (Assigned)
	Bank Guarantee	Short Term	10.00	ACUITE A2 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
UCO Bank	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
UCO Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE BB- Downgraded Issuer not co-operating*
UCO Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	1.75	ACUITE A4+ Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Letter of Credit	Not Applicable	Not Applicable	Not Applicable	0.18	ACUITE A4+ Reaffirmed Issuer not co-operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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