

Press Release

H. M. Steels Limited

June 14, 2021

Rating Update



Total Bank Facilities Rated*	Rs. 66.00 Cr. #
Long Term Rating	ACUITE B- Issuer not co-operating*
Short Term Rating	ACUITE A4 Issuer not co-operating*

*Refer Annexure for details

**The issuer did not co-operate; based on best available information.

Acuite has reviewed the long-term rating of '**ACUITE B-**' (read as **ACUITE B minus**) and short-term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs.66.00 Cr bank facilities of H M Steels Limited (HMSL). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

HMSL was incorporated in 1999 by Mr. Megh Raj Garg, Mr. Rajnish Bansal, Mr. Pankaj Bansal and Mr. Ashok Kumar Singla. The company is engaged in the manufacture of ingots, ERW pipes, MS bars and galvanised iron pipes at Sirmour (Himachal Pradesh). These are sold to local traders.

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.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Applicable Criteria

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

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.

Liquidity Indicators

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

Rating Sensitivity

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

About the Rated Entity - Key Financials

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

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

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

Rating History (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
23-Mar-2020	Cash Credit	Long term	26.00	ACUITE B- Issuer not co-operating*
	Working Capital Demand Loan	Long term	27.06	ACUITE B- Issuer not co-operating*
	Letter of Credit	Short term	2.00	ACUITE A4 Issuer not co-operating*
	Proposed Bank Facility	Long term	10.94	ACUITE B- Issuer not co-operating*
17-Jan-2019	Cash Credit	Long term	26.00	ACUITE B- Issuer not co-operating*
	Working Capital Demand Loan	Long term	27.06	ACUITE B- Issuer not co-operating*
	Letter of Credit	Short term	2.00	ACUITE A4 Issuer not co-operating*
	Proposed Bank Facility	Long term	10.94	ACUITE B- Issuer not co-operating*
23-Nov-2017	Cash Credit	Long term	26.00	ACUITE B- / Stable (Reaffirmed)
	Term Loan	Long term	2.58	ACUITE B- / Stable (Withdrawn)
	Working Capital Demand Loan	Long term	27.06	ACUITE B- / Stable (Reaffirmed)
	Letter of Credit	Short term	2.00	ACUITE A4 (Reaffirmed)
	Proposed Bank Facility	Long term	10.94	ACUITE B- / Stable (Reaffirmed)

*The issuer did not co-operate; based on best available information.

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	26.00	ACUITE B- Issuer not co-operating*
Working Capital Demand Loan	Not Applicable	Not Applicable	Not Applicable	27.06	ACUITE B- Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE A4 Issuer not co-operating*

Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	10.94	ACUITE B- Issuer not co-operating*
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*The issuer did not co-operate; based on best available information.

Contacts

Analytical	Rating Desk
<p>Aditya Gupta Vice President – Corporate Ratings Tel: 022-49294041 aditya.gupta@acuite.in</p> <p>Aishwarya Phalke Senior Analyst – Rating Operations Tel: 022-49294031 aishwarya.phalke@acuite.in</p>	<p>Varsha Bist Senior Manager – Rating Desk Tel: 022-49294011 rating.desk@acuite.in</p>

About Acuité Ratings & Research:

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 8,589 credit 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 Mumbai.

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