

## Press Release

H. M. Steels Limited

September 12, 2022



### Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	2.00	-	ACUITE A4   Reaffirmed   Issuer not co-operating*
Bank Loan Ratings	64.00	ACUITE B-   Reaffirmed   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	66.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

### Rating Rationale

Acuite has reaffirmed 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.

### About the Company

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 galv anised iron pipes at Sirmour (Himachal Pradesh). These are sold to local traders. The registered office of the company is in Punjab.

### 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.

### 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, Acuité 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

### Other Factors affecting Rating

None

### 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>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.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
14 Jun 2021	Cash Credit	Long Term	26.00	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*)
	Working Capital Demand Loan	Long Term	27.06	ACUITE B- ( Issuer not co-operating*)

23 Mar 2020	Working Capital Demand Loan	Long Term	27.06	ACUITE B- (Issuer not co-operating*)
	Proposed Bank Facility	Long Term	10.94	ACUITE B- (Issuer not co-operating*)
	Letter of Credit	Short term	2.00	ACUITE A4 (Issuer not co-operating*)
	Cash Credit	Long Term	26.00	ACUITE B- (Issuer not co-operating*)
17 Jan 2019	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*)
	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*)
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)
11 Aug 2016	Cash Credit	Long Term	26.00	ACUITE B-   Stable (Assigned)
	Working Capital Term Loan	Long Term	33.50	ACUITE B-   Stable (Assigned)
	Term Loan	Long Term	2.58	ACUITE B-   Stable (Assigned)
	Letter of Credit	Short Term	2.00	ACUITE A4 (Assigned)
	Proposed Bank Facility	Long Term	1.92	ACUITE B-   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Punjab National Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	26.00	ACUITE B-   Reaffirmed   Issuer not co- operating*
Punjab National Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE A4   Reaffirmed   Issuer not co- operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	10.94	ACUITE B-   Reaffirmed   Issuer not co- operating*
Punjab National Bank	Not Applicable	Working Capital Demand Loan (WC DL)	Not available	Not available	Not available	27.06	ACUITE B-   Reaffirmed   Issuer not co- operating*

## Contacts

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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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