

**Press Release**  
**Honest Enterprises Private Limited**

January 09, 2020



**Rating Update**

<b>Total Bank Facilities Rated#</b>	Rs. 30.00 Cr.
<b>Long Term Rating</b>	ACUITE BB- Withdrawn; Issuer not co-operating*
<b>Short Term Rating</b>	ACUITE A4+ Withdrawn; Issuer not co-operating*

#Refer Annexure for details

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

**Rating Rationale**

Acuité has reviewed the long-term rating of '**ACUITE BB-**' (**read as ACUITE double B minus**) and short-term rating of '**ACUITE A4+**' (**read as ACUITE A four plus**) on the Rs. 30.00 crore bank facilities of Honest Enterprises Private Limited (HEPL). This rating is now withdrawn, indicative and is based on best available information.

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

The Vadodara-based, HEPL was incorporated in 1999 by Mr. Laxmichand Vaghela, Mr. Samudevi Vaghela, Mr. Hitesh Vaghela and others family members. Subsequently, the constitution was changed to public limited in July, 2016. The company is engaged in trading of stainless steel flat products including coils, plates, sheet, pipes, and circles, among others. Steel is sourced from domestic steel manufacturers and also imported from USA, China, Dubai and other countries. The warehousing facility is located at Waghodia in Vadodara (Gujarat). HEPL caters to industrial clusters across India.

**Non-cooperation by the issuer/borrower:**

Acuité 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 due date.

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

**Applicable Criteria**

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Trading Entities - <https://www.acuite.in/view-rating-criteria-61.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). Acuité endeavoured 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.

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

None

**Any other information**

None

### Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
29-Oct-2018	Cash Credit#	Long Term	6.50	ACUITE BB-/ Stable (Reaffirmed)
	Channel Financing	Short Term	9.90	ACUITE A4+ (Reaffirmed)
	Letter of Credit	Short Term	2.10	ACUITE A4+ (Reaffirmed)
	Letter of Credit^	Short Term	11.50	ACUITE A4+ (Reaffirmed)
17-Oct-2017	Cash Credit#	Long Term	6.50	ACUITE BB-/ Stable (Assigned)
	Channel Financing	Short Term	9.90	ACUITE A4+ (Assigned)
	Letter of Credit	Short Term	2.10	ACUITE A4+ (Assigned)
	Letter of Credit^	Short Term	11.50	ACUITE A4+ (Assigned)

#Includes sublimit of Buyers Credit/Letter of Credit to the extent of Rs 6.50 crore; Bank Guarantee to the extent of Rs. 4.27 crore, PSR limit of Rs.100.00 crore and Letter of Credit of Rs. 6.50 crore.

^ Includes sublimit of Buyers Credit/Letter of Credit to the extent of Rs 6.50 crore

### \*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	6.50	ACUITE BB- Withdrawn; Issuer not cooperating*
Channel Financing	Not Applicable	Not Applicable	Not Applicable	9.90	ACUITE A4+ Withdrawn; Issuer not cooperating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	2.10	ACUITE A4+ Withdrawn; Issuer not cooperating*
Letter of Credit^	Not Applicable	Not Applicable	Not Applicable	11.50	ACUITE A4+ Withdrawn; Issuer not cooperating*

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

#Includes sublimit of Buyers Credit/Letter of Credit to the extent of Rs 6.50 crore; Bank Guarantee to the extent of Rs.4.27 crore, PSR limit of Rs.100.00 crore and Letter of Credit of Rs. 6.50 crore.

^ Includes sublimit of Buyers Credit/Letter of Credit to the extent of Rs 6.50 crore

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**About Acuité Ratings & Research:**

Acuité Ratings & Research Limited (*Erstwhile SMERA Ratings 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 6,000 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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