

Press Release

HINDUPUR STEEL AND ALLOYS PRIVATE LIMITED

December 18, 2019

Rating Update



Total Bank Facilities Rated#	Rs.21.02 Cr.
Long Term Rating	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*

#Refer Annexure for details

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

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE Double B plus**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on the Rs.21.02 crore bank facilities of HINDUPUR STEEL AND ALLOYS PRIVATE LIMITED (HSPL). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

HSPL, incorporated in 2009, is an Anantapur (Andhra Pradesh) based company managed by Mr. Ganesh Kumar Agrawal and Mr. Nifin Agrawal. The company is engaged in manufacturing of mild steel ingots and TMT bars with an installed capacity of 30,000 metric tonnes per annum and 100,000 metric tonnes per annum, respectively. The company is part of Lingraj Group which is promoted by Agrawal and Goyal family. Apart from HSPL, the group consists of two other companies viz. Nirospat Private Limited (NIPL) and Lingraj Steel & Power Private Limited (LSPL). NIPL is engaged in manufacturing of Sponge iron and MS Ingots since 2001 and LSPL is engaged in manufacturing of TMT Bars since 2004. The group sells its products under brand name of 'Kamdhenu'.

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 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.

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 endeavoured 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.

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 (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
18-Mar-19	Cash Credit	Long Term	12.50	ACUITE BBB- (Indicative)
	Cash Credit	Long Term	3.50	ACUITE BBB- (Indicative)
	Term Loan	Long Term	2.10	ACUITE BBB- (Indicative)
	Term Loan	Long Term	2.48	ACUITE BBB- (Indicative)
	Proposed Cash Credit	Long Term	0.44	ACUITE BBB- (Indicative)
29-Dec-17	Cash Credit	Long Term	12.50	ACUITE BBB-/ Stable (Assigned)
	Cash Credit	Long Term	3.50	ACUITE BBB-/ Stable (Assigned)
	Term Loan	Long Term	2.10	ACUITE BBB-/ Stable (Assigned)
	Term Loan	Short Term	2.48	ACUITE BBB-/ Stable (Assigned)
	Proposed Cash Credit	Short Term	0.44	ACUITE BBB-/ Stable (Assigned)

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	12.50	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	3.50	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	2.10	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	2.48	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	0.44	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*

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

Contacts

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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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