

**Press Release**  
**HIRA STEELS LIMITED**  
**July 17, 2024**



**Rating Downgraded and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	105.20	ACUITE BB+   Downgraded   Issuer not co-operating*	-
Bank Loan Ratings	0.50	-	ACUITE A4+   Downgraded   Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	105.70	-	-

**Rating Rationale**

Acuite has downgraded its long-term rating to 'ACUITE BB+' (read as ACUITE double B plus) from 'ACUITE BBB' (read as ACUITE triple B) and its short-term rating to 'ACUITE A4+' (read as ACUITE A four plus) from 'ACUITE A3+' (read as ACUITE A three plus) on the Rs. 105.70 Cr. bank facilities of Hira Steels Limited (HSL). The rating is now flagged as "Issuer Not-Cooperating" and is based on the best information available. The downgrade is on account of information risk.

**About the Company**

Hira Steels Limited was incorporated in 1994 and is engaged in manufacturing of MS Bar, Hard Black Wire and TMT bars. The manufacturing unit is located at Raipur, Chhattisgarh with an installed capacity of 60,000 MTPA for Hard Black Wire and 120,000 MTPA for rerolled products. Presently the company is managed by Mr. Amit Kumar Agrawal.

**Unsupported Rating**

Not Applicable

**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 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.

### **Rating Sensitivities**

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

### **Liquidity Position**

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

### **Outlook**

Not Applicable

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	678.37	780.28
PAT	Rs. Cr.	28.33	3.89
PAT Margin	(%)	4.18	0.50
Total Debt/Tangible Net Worth	Times	0.47	0.77
PBDIT/Interest	Times	9.77	6.03

## Status of non-cooperation with previous CRA

Not Applicable

## Any other information

None

## Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

## Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in)

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
08 May 2023	Bank Guarantee/Letter of Guarantee	Short Term	0.50	ACUITE A3+ (Downgraded from ACUITE A2)
	Cash Credit	Long Term	10.00	ACUITE BBB   Negative (Downgraded from ACUITE BBB+   Negative)
	Cash Credit	Long Term	10.15	ACUITE BBB   Negative (Downgraded from ACUITE BBB+   Negative)
	Cash Credit	Long Term	9.85	ACUITE BBB   Negative (Downgraded from ACUITE BBB+   Negative)
	Cash Credit	Long Term	20.00	ACUITE BBB   Negative (Downgraded from ACUITE BBB+   Negative)
	Term Loan	Long Term	36.40	ACUITE BBB   Negative (Downgraded from ACUITE BBB+   Negative)
	Term Loan	Long Term	5.29	ACUITE BBB   Negative (Downgraded from ACUITE BBB+   Negative)
	Term Loan	Long Term	11.91	ACUITE BBB   Negative (Downgraded from ACUITE BBB+   Negative)
	Term Loan	Long Term	1.60	ACUITE BBB   Negative (Downgraded from ACUITE BBB+   Negative)
09 Feb 2022	Bank Guarantee/Letter of Guarantee	Short Term	0.50	ACUITE A2 (Reaffirmed)
	Proposed Cash Credit	Long Term	30.00	ACUITE BBB+   Negative (Reaffirmed)
	Bills Discounting	Long Term	1.00	ACUITE BBB+   Negative (Reaffirmed)
	Term Loan	Long Term	0.57	ACUITE BBB+   Negative (Reaffirmed)
	Proposed Long Term Loan	Long Term	1.60	ACUITE BBB+   Negative (Assigned)
	Proposed Long Term Loan	Long Term	36.40	ACUITE BBB+   Negative (Reaffirmed)
	Term Loan	Long Term	3.73	ACUITE BBB+   Negative (Reaffirmed)
	Term Loan	Long Term	1.90	ACUITE BBB+   Negative (Reaffirmed)
	Cash Credit	Long Term	9.85	ACUITE BBB+   Negative (Reaffirmed)
	Cash Credit	Long Term	10.15	ACUITE BBB+   Negative (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB+   Negative (Reaffirmed)
03 Dec 2021	Proposed Long Term Loan	Long Term	36.40	ACUITE BBB+   Negative (Assigned)
	Term Loan	Long Term	3.73	ACUITE BBB+   Negative (Reaffirmed)
	Term Loan	Long Term	1.90	ACUITE BBB+   Negative (Reaffirmed)
	Term Loan	Long Term	0.57	ACUITE BBB+   Negative (Reaffirmed)
	Bills Discounting	Long Term	1.00	ACUITE BBB+   Negative (Reaffirmed)
	Cash Credit	Long Term	9.85	ACUITE BBB+   Negative (Reaffirmed)
		Long		

	Cash Credit	Term	10.15	ACUITE BBB+   Negative (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB+   Negative (Reaffirmed)
	Proposed Cash Credit	Long Term	30.00	ACUITE BBB+   Negative (Assigned)
	Bank Guarantee/Letter of Guarantee	Short Term	0.50	ACUITE A2 (Reaffirmed)
12 Nov 2021	Term Loan	Long Term	1.32	ACUITE BBB+   Negative (Reaffirmed)
	Term Loan	Long Term	0.68	ACUITE BBB+   Negative (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	0.50	ACUITE A2 (Reaffirmed)
	Bills Discounting	Long Term	1.00	ACUITE BBB+   Negative (Reaffirmed)
	Cash Credit	Long Term	9.85	ACUITE BBB+   Negative (Reaffirmed)
	Cash Credit	Long Term	10.15	ACUITE BBB+   Negative (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB+   Negative (Reaffirmed)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
State Bank of India	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.50	ACUITE A4+   Downgraded   Issuer not co-operating* ( from ACUITE A3+ )
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	9.85	ACUITE BB+   Downgraded   Issuer not co-operating* ( from ACUITE BBB )
IDBI Bank Ltd.	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	20.00	ACUITE BB+   Downgraded   Issuer not co-operating* ( from ACUITE BBB )
IDBI Bank Ltd.	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.00	ACUITE BB+   Downgraded   Issuer not co-operating* ( from ACUITE BBB )
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.15	ACUITE BB+   Downgraded   Issuer not co-operating* ( from ACUITE BBB )
IDBI Bank Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	36.40	ACUITE BB+   Downgraded   Issuer not co-operating* ( from ACUITE BBB )
IDBI Bank Ltd.	Not avl. / Not	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	5.29	ACUITE BB+   Downgraded   Issuer not co-

	appl.							operating* ( from ACUITE BBB )
IDBI Bank Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	11.91	ACUITE BB+   Downgraded   Issuer not co-operating* ( from ACUITE BBB )
IDBI Bank Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.60	ACUITE BB+   Downgraded   Issuer not co-operating* ( from ACUITE BBB )

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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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