



**Press Release**  
**Hansa Metalics Limited**  
**January 09, 2023**

**Rating Downgraded & Withdrawn, Reaffirmed & Withdrawn and Issuer not co-**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
<b>Bank Ratings</b> <b>Loan</b>	77.24	ACUITE BB-   Downgraded & Withdrawn   Issuer not co-operating*	-
<b>Bank Ratings</b> <b>Loan</b>	26.57	-	ACUITE A4+   Reaffirmed & Withdrawn   Issuer not co-operating*
<b>Total Outstanding Quantum (Rs. Cr)</b>	0.00	-	-
<b>Total Withdrawn Quantum (Rs. Cr)</b>	103.81	-	-

**Rating Rationale**

Acuite has downgraded & withdrawn the long term rating of '**ACUITE BB-**' (read as **ACUITE double B Minus**) from **ACUITE BB (Read as ACUITE double B)**, and reaffirmed and withdrawn the short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 103.81 crore bank facilities of Hansa Metalics Limited. The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

The rating has been downgraded on account of information risk.

The rating withdrawal is in accordance with the Acuite's policy on withdrawal of rating.

The rating is being withdrawn on account of the request received from the firm and No Objection Certificate received from the banker.

**About the Company**

Hansa Metalics Limited incorporated in the year 1997, promoted by Mr. Bipan Kumar Vasudeva is engaged in the manufacturing of ERW precision tubes. The manufacturing facility of the company is located in Lalru (Punjab) and has an installed capacity of 60000 MT per annum. The company caters to clients in Cycle and Auto Industry which include Hero Cycles Ltd, Mapco Industries, among others.

**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 noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating continues to be 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 entity has not provided the latest financial statements for Acuite to comment

### 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

Brickworks Ratings vide its press release dated 28.03.2022, downgraded the company to BWR BB+/A4+; INC

### 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

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
20 Jun 2022	Cash Credit	Long Term	77.00	ACUITE BB ( Issuer not co-operating*)
	Proposed Letter of Credit	Short Term	9.07	ACUITE A4+ ( Issuer not co-operating*)
	Term Loan	Long Term	0.24	ACUITE BB ( Issuer not co-operating*)
	Letter of Credit	Short Term	17.50	ACUITE A4+ ( Issuer not co-operating*)
22 Mar 2021	Term Loan	Long Term	0.24	ACUITE BB (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	77.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	17.50	ACUITE A4+ (Issuer not co-operating*)
	Proposed Letter of Credit	Short Term	9.07	ACUITE A4+ (Issuer not co-operating*)

## 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 Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	62.00	ACUITE BB-   Downgraded & Withdrawn   Issuer not co-operating*
IDBI Bank Ltd.	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	15.00	ACUITE BB-   Downgraded & Withdrawn   Issuer not co-operating*
State Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	5.00	ACUITE A4+   Reaffirmed & Withdrawn   Issuer not co-operating*
IDBI Bank Ltd.	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	12.50	ACUITE A4+   Reaffirmed & Withdrawn   Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	9.07	ACUITE A4+   Reaffirmed & Withdrawn   Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	0.24	ACUITE BB-   Downgraded & Withdrawn   Issuer not co-operating*

## Contacts

Analytical	Rating Desk
<p>Pooja Ghosh Vice President-Rating Operations Tel: 022-49294041 <a href="mailto:pooja.ghosh@acuite.in">pooja.ghosh@acuite.in</a></p> <p>Abhishek Singh Analyst-Rating Operations Tel: 022-49294065 <a href="mailto:abhishek.s@acuite.in">abhishek.s@acuite.in</a></p>	<p>Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 <a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a></p>

### 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.

**Disclaimer:** An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.acuite.in](http://www.acuite.in)) for the latest information on any instrument rated by Acuité.