Press Release

Jagdamba Liquified Steels Limited

September 30, 2019

Rating Update

Total Bank Facilities Rated*	Rs.20.00 Cr. #
Long Term Rating	ACUITE BB+ (Downgraded from BBB-) Issuer not co-operating*
Short Term Rating	ACUITE A4+ (Downgraded from A3) Issuer not co-operating*

 # Refer Annexure for details
** The issuer did not co-operate; based on best available information.*

Acuité has downgraded long-term rating to **'ACUITE BB+' (read as ACUITE double B plus)** from **'ACUITE BBB-' (read as ACUITE triple B minus)** and short-term rating to **'ACUITE A4+' (read as ACUITE A four plus)** from **'ACUITE A3' (read as ACUITE A three)** on the Rs. 20.00 crore bank facilities of Jagdamba Liquified Steel Limited. This rating is now an indicative rating and is based on best available information.

Jagdamba Liquified Steels Limited (JLSL), incorporated in May 1993, is promoted by Mr. Hari Mohan Lohia and Ms. Usha Lohia. The company is engaged in manufacturing of specialty steel castings, classified as safety components. These components are primarily used for industries such as Indian Railways, Defence services, auto industry and engineering companies. The company is a Tier-1 supplier for Tata Motors Limited and Ashok Leyland. The company is a class 'A' foundry approved by RDSO. Currently, the company has two production facilities located at Roorkee with a total installed capacity of 15000 MTPA.

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.

Acuité 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-17.htm
- Manufacturing Entities - https://www.acuite.in/view-rating-criteria-4.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 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 attempts.

Status of non-cooperation with previous CRA (if applicable)
Not Applicable

Any other information
Acuité 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
23-Jul-2018	Cash Credit	Long Term	13.00	ACUITE BBB-/ Stable (Assigned)
	Term Loans	Long Term	0.25	ACUITE BBB-/ Stable (Assigned)
	Term Loans	Long Term	1.89	ACUITE BBB-/ Stable (Assigned)
	Term Loans	Long Term	1.15	ACUITE BBB-/ Stable (Assigned)
	Bank Guarantee/ Letter of Guarantee	Short Term	3.25	ACUITE A3 (Assigned)
	Proposed Bank Facility	Long Term	0.46	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. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	13.00	ACUITE BB+ (Downgraded from BBB-) Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	0.25	ACUITE BB+ (Downgraded from BBB-) Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	1.89	ACUITE BB+ (Downgraded from BBB-) Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	1.15	ACUITE BB+ (Downgraded from BBB-) Issuer not co-operating*
Bank Guarantee/ Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	3.25	ACUITE A4+ (Downgraded from A3) Issuer not co-operating*
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	0.46	ACUITE BB+ (Downgraded from 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.

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. Acuité ratings 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. Acuité ratings 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) for the latest information on any instrument rated by Acuité.*