

Press Release

Passion Industries Private Limited

October 07, 2020



Rating Update

Total Bank Facilities Rated*	Rs.19.50 Cr. #
Long Term Rating	ACUITE BB- (Downgraded from ACUITE BB/Stable) Issuer not co-operating*
Short Term Rating	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*

#Refer Annexure for details

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

Acuité has downgraded the long term rating to '**ACUITE BB-**' (**read as ACUITE double B minus**) from '**ACUITE BB**' (**read as ACUITE double B**) and the short-term rating to '**ACUITE A4**' (**read as ACUITE A four**) from '**ACUITE A4+**' (**read as ACUITE A four plus**) on the Rs. 19.50 Crore bank facilities of Passion Industries Private Limited (PIPL). This rating is now an indicative rating and is based on the best available information.

Rohtak-based, PIPL was incorporated in 2013, as a private limited company and is promoted by Mr. Navdeep Singh, Mrs. Manju Lata and Mrs. Tara Wati. The company took over the running business of proprietorship firm 'M/s Passion Steels' established by Mr. Navdeep Singh in 2006. PIPL is engaged in drawing of alloy steel wires, rods and coils which finds application in the automobile parts manufacturing industry. The manufacturing unit of the company is located in Rohtak, Haryana with an installed capacity of 2500 metric tonnes per month.

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 the due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an 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 Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-53.htm>
- Securitized Transactions- <https://www.acuite.in/view-rating-criteria-48.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)

PIPL's rating was flagged of as Issuer not cooperating with CARE, through its rating rationale dated November 20th, 2019. The reason provided by CARE is non-furnishing of information by PIPL.

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 (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
30-July-2019	Cash Credit	Long Term	15.00	ACUITE BB/Stable (Reaffirmed)
	Term Loan	Long Term	1.00	ACUITE BB/Stable (Reaffirmed)
	Letter of Credit	Short Term	3.50	ACUITE A4+ (Reaffirmed)
23-July-2019	Cash Credit	Long Term	15.00	ACUITE BB/Stable (Upgraded)
	Term Loan	Long Term	1.00	ACUITE BB/Stable (Upgraded)
	Letter of Credit	Short Term	2.50	ACUITE A4+ (Assigned))
06-Dec-2018	Cash Credit	Long Term	15.00	ACUITE BB-/Stable (Reaffirmed)
	Term Loan	Long Term	1.00	ACUITE BB-/Stable (Assigned)
23-July-2018	Cash Credit	Long Term	15.00	ACUITE BB-/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	15.00	ACUITE BB- (Downgraded from ACUITE BB/Stable) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE BB- (Downgraded from ACUITE BB/Stable) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	3.50	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*

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About Acuité Ratings & Research:

Acuité Ratings & Research 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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