

Press Release

Agrasen Ship Breakers Private Limited

May 19, 2021



Rating Withdrawn

| | |
|-------------------------------------|-------------------------------------------------------|
| Total Bank Facilities Rated* | Rs.28.00 Cr.# |
| Long Term Rating | ACUITE BB- (Withdrawn) Issuer not co-operating* |
| Short Term Rating | ACUITE A4+ (Withdrawn) Issuer not co-operating* |

Refer Annexure for details

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

Rating Rationale

Acuité has withdrawn the long-term rating of '**ACUITE BB-**' (read as ACUITE double B minus) and the short-term rating of '**ACUITE A4+**' (read as ACUITE A four plus) on the Rs.28.00 Cr bank facilities of Agrasen Ship Breakers Private Limited.

The rating withdrawal is in accordance with the Acuité's policy on withdrawal of rating. This rating continues to be an indicative rating and is based on the best available information. The rating is being withdrawn on account of request received from the issuer and NOC received from the banker.

Mumbai-based, Agrasen Ship Breakers Private Limited, incorporated in 2003 is engaged in ship breaking business at Alang Ship breaking yard. The company is HKC compliant and RINA Class certified. It imports mainly cargos for dismantling. It purchases vessels in the range of 2000-10000 MT. the company is managed by two brothers, Mr. Rajneesh Bansal and Sandeep Bansal, who has been associated with this industry for two decades.

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

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- 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>

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.

Liquidity Indicators - "No information provided by the issuer / available for Acuite to comment upon."

Rating Sensitivity - "No information provided by the issuer / available for Acuite to comment upon."

About the Rated Entity - Key Financials

The rated entity has not shared the financial statements despite several reminders and requests

Status of non-cooperation with previous CRA (if applicable)

CRISIL, vide its press release dated July, 2020 had denoted the rating of Agrasen Ship Breakers Private Limited as 'CRISIL B+/A4; Downgraded; ISSUER NOT CO-OPERATING' on account of lack of adequate information required for monitoring the ratings.

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 |
|-------------|---------------------------------|------------|------------------|----------------------------------------|
| 22-Dec-2020 | Cash Credit | Long Term | 3.00 | ACUITE BB- (Downgraded) Indicative* |
| | Letter of Credit | Short Term | 25.00 | ACUITE A4+ (Indicative*) |
| 04-Oct-2019 | Cash Credit | Long Term | 3.00 | ACUITE BB (Indicative*) |
| | Letter of Credit | Short Term | 25.00 | ACUITE A4+ (Indicative*) |
| 10-Aug-2018 | Cash Credit | Long Term | 3.00 | ACUITE BB/Stable (Assigned) |
| | Letter of Credit | Short Term | 25.00 | ACUITE A4+ (Assigned) |

#Annexure – Details of instruments rated

| Name of Facility (ies) | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Cr) | Ratings/Outlook |
|------------------------|------------------|----------------|----------------|----------------------------|--------------------------------------|
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 3.00 | ACUITE BB- *Withdrawn; Indicative |
| Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 25.00 | ACUITE A4+ *Withdrawn; Indicative |

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

Contacts

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|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
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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 8,000 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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