

Press Release

Niros Ispat Private Limited

December 13, 2019

Rating Update



Total Bank Facilities Rated#	Rs. 86.00 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Long Term Rating	ACUITE BB Withdrawn; Issuer not co-operating*
Short Term Rating	ACUITE A4+ Withdrawn; Issuer not co-operating*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

Acuite has withdrawn the long-term rating of '**ACUITE BB**' (read as **ACUITE double B**) and the short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 86.00 crore bank facilities of Niros Ispat Private Limited (NIPL). This rating is now withdrawn, indicative and is based on best available information.

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

NIPL is a Bhilai-based company incorporated in 2001 by Raipur-based Agarwal and Goyal family. The promoters have holding in NIPL through Raipur Loha Private Limited, Gangour Agencies Private Limited and Lingaraj Food & Beverages Private Limited. The day to day operations of the company is managed by Mr. Anil Kumar Agarwal, Mr. Ashish Kumar Goyal and Mr. Ashish Kumar Agarwal.

NIPL is engaged in manufacturing of coal based sponge iron, MS ingots, MS billets and steel strips. The manufacturing facility is located in Bhilai (Chhattisgarh) with 97,500 TPA capacity for sponge iron, 60000 TPA for MS billets and 90000 TPA for steel strips (rolling mill). It has also set-up 8 MW power plant for captive consumption. NIPL has integrated operations wherein it manufactures sponge iron which is then used for the production of billets and the entire MS billet production is used in the rolling mill to produce steel strips. The company presently sells its products to dealers and steel pipe manufacturers.

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 due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite'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>

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.

About the Rated Entity - Key Financials

Particulars	Unit	2019	2018
Operating Income	Rs. Crore	423.06	278.76
Profit after tax (PAT)	Rs. Crore	5.38	1.65
PAT margin	%	5.93	6.55
Total debt / Tangible Net worth	Times	1.59	1.62
PBDIT / Interest	Times	2.16	1.62

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

Not applicable

Any other information

None

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
22-Nov-2019	Cash Credit	Long Term	40.00	ACUITE BB (Downgraded from ACUITE BBB-/ Stable) Issuer not co-operating*
	Term Loan	Long Term	9.06	ACUITE BB (Downgraded from ACUITE BBB-/ Stable) Issuer not co-operating*
	Letter of Credit	Short Term	23.00	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*
	Bank Guarantee	Short Term	2.00	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*
	Proposed Term Loan	Long Term	11.94	ACUITE BB (Downgraded from ACUITE BBB-/ Stable) Issuer not co-operating*
09-Oct-2019	Cash Credit	Long Term	40.00	ACUITE BBB- /Stable (Assigned)
	Term Loan	Long Term	9.06	ACUITE BBB- /Stable (Assigned)
	Letter of Credit	Short Term	23.00	ACUITE A3 (Assigned)
	Bank Guarantee	Short Term	2.00	ACUITE A3 (Assigned)
	Proposed Term Loan	Long Term	11.94	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. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	40.00	ACUITE BB Withdrawn; Issuer not cooperating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	9.06	ACUITE BB Withdrawn; Issuer not cooperating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	23.00	ACUITE A4+ Withdrawn; Issuer not cooperating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE A4+ Withdrawn; Issuer not cooperating*
Proposed Term Loan	Not Applicable	Not Applicable	Not Applicable	11.94	ACUITE BB Withdrawn; Issuer not cooperating*

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

Contacts

Analytical	Rating Desk
<p>Aditya Gupta Head- Corporate and Infrastructure Sector Tel: 022-49294041 aditya.gupta@acuite.in</p> <p>Priyal Jain Analyst - Rating Operations Tel: 022-49294043 priyal.jain@acuite.in</p>	<p>Varsha Bist Manager - Rating Desk Tel: 022-49294011 rating.desk@acuite.in</p>

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.

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