

Press Release

H R Ispat Private Limited

Aug 10, 2020



Rating Update

Total Bank Facilities Rated*	Rs. 50.00 Cr. #
Long Term Rating	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Short Term Rating	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*

Refer Annexure for details`

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

Acuité has reviewed and downgraded the long term rating to '**ACUITE BB+** (read as ACUITE double B plus) from '**ACUITE BBB-**' (read as ACUITE triple B minus) and downgraded the short term rating to '**ACUITE A4+**'(read as ACUITE A four plus) from '**ACUITE A3**' (read as ACUITE A three) on the Rs.50.00 crore bank facilities of H R Ispat Private Limited(HRIPL). The downgrade is on account of information risk. This rating is now an indicative rating and is based on the best available information.

H R Ispat, a Durgapur (West Bengal) based company, was incorporated in 2004 by Mr. K. C. Mondal. The company is currently managed by Mr. K. C. Mondal, Mrs. Shipra Mondal (his wife) and family. The commercial operations began in 2009 and the company was engaged in the production of MS ingots till FY 2016 with an installed capacity of 18000 tpa. H R Ispat started with the production of billets from FY 2017 with an expansion in production capacity to 102000 TPA with continuous casting machine (CCM). The company has further expansion plan of commencement of manufacturing of TMT bars.

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of HRIPL arrive at this rating.

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>
- Financial Ratios and Adjustments -<https://www.acuite.in/view-rating-criteria-53.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). Acuité endeavoured 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
20-May-2019	Cash Credit	Long Term	20.00	ACUITE BBB- (Assigned)
	Term Loan	Long Term	20.75	ACUITE BBB- (Assigned)
	Letter of Credit	Short Term	3.75	ACUITE A3 (Assigned)
	Proposed bank facility	Short Term	5.50	ACUITE A3 (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	20.00	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	20.75	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	3.75	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*
Proposed bank facility	Not Applicable	Not Applicable	Not Applicable	5.50	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*

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

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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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