

## Press Release

First Reliable Industries

January 04, 2022



### Rating Downgraded and Issuer not co-operating

| Product           | Quantum (Rs. Cr) | Long Term Rating                                   | Short Term Rating |
|-------------------|------------------|--|-------------------|
| Bank Loan Ratings | 13.17            | ACUITE BB-   Downgraded   Issuer not co-operating* |                   |
| Total             | 13.17            | -  | -                 |

### Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE BB-**' (read as **ACUITE Double B minus**) from '**ACUITE BB**' (read as **ACUITE Double B**) on the Rs. 13.17 Crore bank facilities of First Reliable Industries (FRI). This rating is now an indicative rating and is based on best available information.

### About the Company

First Reliable Industries (FRI) is a partnership firm established in November 2016 by Mr. Naresh Joshi, Mr. Abhinav Joshi, Mr. Karan Gupta and Mr. Subodh Gupta. The firm is engaged in manufacturing of Polypropylene (PP) and High-Density Polyethylene (HDPE) based woven sack bags and fabrics which find its application in packaging for various industries such as chemical, agricultural, cement, fertilizer industry. The manufacturing unit is located at Khanna, Punjab with an installed capacity of 7200 MT per annum (MTPA) as on March 31, 2020. The commercial operations of the plant started from July 06, 2018.

### 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. 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. This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

### 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.

### Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon.

### Material Covenants

None.

### Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

## Outlook

Not Applicable.

## Other Factors affecting Rating

None

## Key Financial

The rated entity has not shared the latest financial statements despite repeated requests.

## Status of non-cooperation with previous CRA

CARE vide its press release dated 23 November 2021, has mentioned the rating of FRI as '[CARE] B/Stable/' Issuer Not Cooperating as on 23 November 2021.

## Any other information

None.

## Applicable Criteria

- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

## • Rating History

| Date        | Name of Instruments/Facilities | Term      | Amount (Rs. Cr) | Rating/Outlook                |
|-------------|--------------------------------|-----------|-----------------|-------------------------------|
| 19 Nov 2020 | Cash Credit                    | Long Term | 4.00            | ACUITE BB   Stable (Assigned) |
|             | Term Loan                      | Long Term | 8.73            | ACUITE BB   Stable (Assigned) |
|             | Proposed Bank Facility         | Long Term | 0.44            | ACUITE BB   Stable (Assigned) |

### Annexure - Details of instruments rated

| Lender's Name  | ISIN           | Facilities                       | Date Of Issuance | Coupon Rate    | Maturity Date  | Quantum (Rs. Cr.) | Rating   |
|----------------|----------------|----------------------------------|------------------|----------------|----------------|-------------------|--|
| HDFC Bank Ltd  | Not Applicable | Cash Credit                      | Not Applicable   | Not Applicable | Not Applicable | 4.00              | ACUITE BB-   Downgraded   Issuer not co-operating* |
| Not Applicable | Not Applicable | Proposed Long Term Bank Facility | Not Applicable   | Not Applicable | Not Applicable | 0.44              | ACUITE BB-   Downgraded   Issuer not co-operating* |
| Bank of Baroda | Not Applicable | Term Loan                        | Not available    | Not available  | Not available  | 8.73              | ACUITE BB-   Downgraded   Issuer not co-operating* |

## 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 8,850 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 Kanjurmarg, Mumbai.

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