



Press Release

Hariom Ingots and Power Private Limited

September 07, 2023

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	32.65	ACUITE BB+ Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	32.65	-	-

Rating Rationale

Acuite has downgraded its long term rating to '**ACUITE BB+**' (read as **ACUITE Double B Plus**) from '**ACUITE BBB-**' (read as **ACUITE Triple B Minus**) on Rs. 32.65 Cr bank facilities of HARIOM INGOTS AND POWER PRIVATE LIMITED. The rating is now flagged as "Issuer Not-Cooperating" as Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups, and based on the best available information.

The rating has been downgraded on account of information risk.

About the Company

Incorporated in 2004, HARIOM INGOTS AND POWER PRIVATE LIMITED (HIPPL) is promoted by the Agrawal family, based in Bhilai, and Chhattisgarh. The company is engaged in the manufacture of MS billets and TMT bars with a current capacity of 90,000 MTPA for billets and 60,000 MTPA for TMT bars. The TMT bars manufactured by the company are sold under the brand 'Hariom TMT'. In FY2015, the company started manufacturing epoxy-coated TMT bars, which are more durable than the normal TMT bars and are sold under the brand 'Hariom Epoxy Shield'. In addition, HIPPL is involved in the trading of TMT bars and various rolled products manufactured by other steel players. The company is currently headed by Mr. Santosh Kumar Agrawal, Mr. Sandeep Agrawal, Mr. Bhagwan Das Agrawal, and Mr. Ajay Agrawal.

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 the due date. Acuite believes that information risk is a critical component in such ratings, and noncooperation 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 Acuite'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). Acuite endeavored 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.

Rating Sensitivities

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

None

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 22 (Provisional)	FY 21 (Actual)
Operating Income	Rs. Cr.	314.49	263.71
PAT	Rs. Cr.	1.86	2.13
PAT Margin	(%)	0.59	0.81
Total Debt/Tangible Net Worth	Times	0.94	0.71
PBDIT/Interest	Times	3.38	3.82

Status of non-cooperation with previous CRA

ICRA, vide its press release dated Nov 11, 2022 had denoted the rating of Hariom Ingots and Power Private Limited as 'ICRA B+/Stable/A4; ISSUER NOT COOPERATING'.

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

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

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
11 Jul 2022	Working Capital Term Loan	Long Term	4.58	ACUITE BBB- Negative (Reaffirmed)
	Proposed Bank Facility	Long Term	4.77	ACUITE BBB- Negative (Reaffirmed)
	Cash Credit	Long Term	22.80	ACUITE BBB- Negative (Reaffirmed)
	Working Capital Term Loan	Long Term	0.50	ACUITE BBB- Negative (Reaffirmed)
04 May 2021	Cash Credit	Long Term	5.15	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	2.50	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	25.00	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Kotak Mahindra Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	22.80	ACUITE BB+ Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	4.77	ACUITE BB+ Downgraded Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	Simple	4.58	ACUITE BB+ Downgraded Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	Simple	0.50	ACUITE BB+ Downgraded Issuer not co-operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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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