

## Press Release

National Enterprises

July 03, 2024

Rating Downgraded and Issuer not co-operating



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	50.10	ACUITE BB+   Downgraded   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	50.10	-	-

## Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB+**' (read as **ACUITE triple B plus**) on the Rs.50.10 crore bank facilities of National Enterprises.

The rating is now flagged as "Issuer Not Cooperating" and is based on the best available information. The downgrade is based on Information risk.

## About the Company

Established in 1974, National Enterprises (NE) is a proprietorship firm engaged in the mining business. It is headed by the proprietor Shri Charanjit Singh Grewal. The firm operates through three iron ore mines which are Raikela Mine, Sanindpur mine and Adaghat mine in Sundergarh District of Odisha. In addition, the firm has two wind based power generating unit in Rajasthan and Tamilnadu with a capacity of 6 MW and 14.7 MW respectively.

## Unsupported Rating

Not Applicable

## 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 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 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 has 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.

**Rating Sensitivities**

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

**Liquidity Position**

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

**Outlook: Not Applicable**

**Other Factors affecting Rating** None

## Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	379.32	233.68
PAT	Rs. Cr.	195.21	51.31
PAT Margin	(%)	51.46	21.96
Total Debt/Tangible Net Worth	Times	0.48	3.20
PBDIT/Interest	Times	7.87	1.95

### Status of non-cooperation with previous CRA

Not Applicable

### Any other information

None

### Applicable Criteria

- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Real Estate Entities: <https://www.acuite.in/view-rating-criteria-63.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>

### Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite 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](http://www.acuite.in)

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
14 Apr 2023	Cash Credit	Long Term	50.00	ACUITE BBB+   Stable (Upgraded from ACUITE BBB   Stable)
	Secured Overdraft	Long Term	0.10	ACUITE BBB+   Stable (Upgraded from ACUITE BBB   Stable)
	Proposed Long Term Bank Facility	Long Term	3.90	ACUITE Not Applicable (Withdrawn)
	Term Loan	Long Term	111.00	ACUITE Not Applicable (Withdrawn)
14 Jan 2022	Proposed Long Term Bank Facility	Long Term	3.90	ACUITE BBB   Stable (Reaffirmed)
	Cash Credit	Long Term	50.00	ACUITE BBB   Stable (Reaffirmed)
	Secured Overdraft	Long Term	0.10	ACUITE BBB   Stable (Reaffirmed)
	Term Loan	Long Term	111.00	ACUITE BBB   Stable (Reaffirmed)
30 Sep 2021	Term Loan	Long Term	165.00	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
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	50.00	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB+ )
Indusind Bank Ltd	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.10	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB+ )

## Contacts

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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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