

Press Release

Euro Pratik Ispat India Private Limited

March 24, 2023



Rating Downgraded and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|---------------------------------------|---------------------|---|---|
| Bank Loan Ratings | 30.00 | ACUITE BB+ Downgraded Issuer not co-operating* | - |
| Bank Loan Ratings | 40.00 | - | ACUITE A4+ Downgraded Issuer not co-operating* |
| Total Outstanding Quantum (Rs. Cr) | 70.00 | - | - |

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)** and the short term rating to **ACUITE A4+ (Read as ACUITE A four plus)** from **ACUITE A2 (Read as ACUITE A two)** on the Rs.70.00 crore bank facilities of **Euro Pratik Ispat India Private Limited (EPIPL)**. This rating is now flagged as issuer not cooperating and is based on best available information. The rating has been downgraded on account of information risk

About the Company

Incorporated in 1993, Euro Pratik Ispat (India) Private Limited (EPIPL) is a Chhattisgarh based company engaged in trading of iron ore, coal, derivatives of iron ore and other steel products. The promoters of the company, Mr Surendra Singh Saluja and Mr Harneet Singh Lamba have good experience in trading of iron ore and its derivatives and coal trading. The company has a crushing plant with a capacity of 200 TPH and is setting up a beneficiation plant with a capacity of 200 TPH at Jabalpur, Madhya Pradesh. The beneficiation plant is expected to be operational by the end of this fiscal year. The products are procured from Chhattisgarh and Madhya Pradesh and since 2018 company have also started importing its raw material requirements from Australia & South Africa. EPIPL has its customers in the western side of the country in Maharashtra, Madhya Pradesh, Chhattisgarh, Gujarat and other states and they are also exporting to Singapore and Hong Kong.

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 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 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."

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 Financials:

The rated entity has not shared the latest financial statements for Acuite to comment.

Status of non-cooperation with previous CRA

Not Applicable

Any other information

Acuite is yet to receive the latest No Default Statement from the entity despite repeated requests and followups.

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>

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.

Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|-------------|--------------------------------|------------|-----------------|---------------------------------|
| 05 Jan 2022 | Proposed Letter of Credit | Short Term | 40.00 | ACUITE A2 (Assigned) |
| | Proposed Cash Credit | Long Term | 15.00 | ACUITE BBB+ Stable (Assigned) |
| | Proposed Cash Credit | Long Term | 15.00 | 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 |
|----------------|----------------|---------------------------|------------------|----------------|----------------|------------------|-------------------|---|
| Not Applicable | Not Applicable | Proposed Cash Credit | Not Applicable | Not Applicable | Not Applicable | Simple | 30.00 | ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+) |
| Not Applicable | Not Applicable | Proposed Letter of Credit | Not Applicable | Not Applicable | Not Applicable | Simple | 40.00 | ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A2) |

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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