



Press Release

Euro Pratik Ispat India Private Limited
September 10, 2024

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	80.00	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	40.00	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	120.00	-	-

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 Plus**) and its short-term rating to '**ACUITE A4+**' (read as **ACUITE A Four Plus**) from '**ACUITE A2**' (read as **ACUITE A Two**) on the Rs. 120.00 crore bank facilities of Euro Pratik Ispat India Private Limited (EPIPL). The rating is now flagged as "Issuer Not-Cooperating" and is based on best available information.

Acuite had sent repeated reminders to the company for sharing critical information and documents for surveillance of the ratings. But despite multiple requests, the company has remained non-cooperative in providing any information. The rating is 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 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.

Unsupported Rating

Not Applicable

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 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 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.

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.	670.40	453.42
PAT	Rs. Cr.	103.41	77.57
PAT Margin	(%)	15.43	17.11
Total Debt/Tangible Net Worth	Times	0.07	0.18
PBDIT/Interest	Times	47.97	37.21

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

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, 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
19 Jun 2023	Letter of Credit	Short Term	40.00	ACUITE A2 (Reaffirmed)
	Cash Credit	Long Term	30.00	ACUITE BBB+ Stable (Reaffirmed)
	Cash Credit	Long Term	8.00	ACUITE BBB+ Stable (Assigned)
	Term Loan	Long Term	40.00	ACUITE BBB+ Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	2.00	ACUITE BBB+ Stable (Assigned)
27 Apr 2023	Cash Credit	Long Term	30.00	ACUITE BBB+ Stable (Upgraded from ACUITE BB+)
	Letter of Credit	Short Term	40.00	ACUITE A2 (Upgraded from ACUITE A4+)
24 Mar 2023	Proposed Letter of Credit	Short Term	40.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A2)
	Proposed Cash Credit	Long Term	30.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+ Stable)
05 Jan 2022	Proposed Cash Credit	Long Term	15.00	ACUITE BBB+ Stable (Assigned)
	Proposed Cash Credit	Long Term	15.00	ACUITE BBB+ Stable (Assigned)
	Proposed Letter of Credit	Short Term	40.00	ACUITE A2 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Axis Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	38.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
HDFC Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	40.00	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A2)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	2.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	40.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)

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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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