

Press Release

Shri Veerganapathi Steels Private Limited

January 29, 2020

Rating Update



| | |
|------------------------------------|---|
| Total Bank Facilities Rated | Rs. 35.00 Cr. # |
| Long Term Rating | ACUITE C (Downgraded from ACUITE BB-) Issuer not co-operating* |
| Short Term Rating | ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating* |

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

Acuite has downgraded the long-term rating to '**ACUITE C**' (read as **ACUITE C**) from '**ACUITE BB-**' (read as **ACUITE double B minus**) and short-term rating of '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 35.00 crore bank facilities of SHRI VEERGANAPATHI STEELS PRIVATE LIMITED (SVPL). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information available on public domain.

SVPL incorporated in 1997, is a Chennai -based company engaged in the trading of steel angles, channels, plates among others. The company's day to day activities are managed by Mr. Narayan Maheswari, Managing Director and his son, Mr. Vidhur Maheswari. SVSPL has branch offices at Visakhapatnam, Raipur and Kolkata.

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 due date.

Acuite 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 Acuite's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Trading Entities - <https://www.acuite.in/view-rating-criteria-61.htm>

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.

About the Rated Entity - Key Financials

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

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

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

Rating History (Upto last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr.) | Ratings/Outlook |
|-------------|---------------------------------|------------|------------------|-------------------------------|
| 27-Dec-2019 | Cash Credit | Long Term | 20.00 | ACUITE BB- (Indicative) |
| | Letter of Credit | Long Term | 10.00 | ACUITE A4+ (Indicative) |
| | Bank Guarantee | Long Term | 5.00 | ACUITE A4+ (Indicative) |
| 08-Oct-2018 | Cash Credit | Long Term | 20.00 | ACUITE BB- (Indicative) |
| | Letter of Credit | Short Term | 10.00 | ACUITE A4+ (Indicative) |
| | Bank Guarantee | Short Term | 5.00 | ACUITE A4+ (Indicative) |
| 01-Mar-2017 | Cash Credit | Long Term | 20.00 | ACUITE BB- (Indicative) |
| | Letter of Credit | Short Term | 10.00 | ACUITE A4+ (Indicative) |
| | Bank Guarantee | Short Term | 5.00 | ACUITE A4+ (Indicative) |
| 18-Nov-2015 | Cash Credit | Long Term | 20.00 | ACUITE BB- /Stable (Assigned) |
| | Proposed Letter of Credit | Short Term | 10.00 | ACUITE A4+ (Assigned) |
| | Proposed Bank Guarantee | Short Term | 5.00 | ACUITE A4+ (Assigned) |

#Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Cr.) | Ratings |
|------------------------|------------------|----------------|----------------|-----------------------------|--|
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 20.00 | ACUITE C (Downgraded from ACUITE BB-) Issuer not co-operating* |
| Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 10.00 | ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating* |
| Bank Guarantee | Not Applicable | Not Applicable | Not Applicable | 5.00 | ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating* |

*The issuer did not co-operate; Based on best available information.

Contacts

| Analytical | Rating Desk |
|--|---|
| Aditya Gupta Head - Corporate and Infrastructure Sector Ratings Tel: 022-49294041 aditya.gupta@acuite.in Grishma Muni Analyst - Rating Operations Tel: 02249294035 grishma.muni@acuite.in | Varsha Bist Manager - Rating Desk Tel: 022-49294011 rating.desk@acuite.in |

About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency.
Acuité Ratings & Research Limited (erstwhile SMERA Ratings Limited) www.acuite.in

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 6,000 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 Mumbai.

Disclaimer: *An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.*