

Press Release
Sunvik Steels Private Limited

August 04, 2020



Rating Update

Total Bank Facilities Rated#	Rs.71.75 Cr.
Long Term Rating	ACUITE BB+ (Downgraded from ACUITE BBB-/ Stable) Issuer not co-operating*
Short Term Rating	ACUITE A4+ (Downgraded from ACUITE A3+) Issuer not co-operating*

Refer Annexure for details

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

Rating Rationale

Acuité has downgraded the long term rating to '**ACUITE BB+** (read as ACUITE double B plus) from '**ACUITE BBB minus**' (read as ACUITE triple B minus) and the short term rating to '**ACUITE A4+** (read as ACUITE A four plus) from '**ACUITE A3+**' (read as ACUITE A three plus) on the Rs.71.75 cr. bank facilities of Sunvik Steels Private Limited (SSPL). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

SSPL, incorporated in 2003, is a Karnataka-based company promoted by Mr. Vivek Kumar Kejriwal, Mr. Mahendra Kumar Kachhara and others. The company is engaged in the manufacture of sponge iron, billets and TMT bars and sells the same under the 'SUNVIK' and 'OMSAI' brand names. The company also has set up a 10 MW power plant for captive consumption and caters largely to the domestic market.

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 non-cooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.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). 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.

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

Acuité 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
19-Jun-19	Cash Credit	Long term	30.00	ACUITE BBB- (Indicative)
	Cash Credit	Long term	15.00	ACUITE BBB- (Indicative)
	Term Loan	Long term	1.75	ACUITE BBB- (Indicative)
	Letter of Credit	Short term	10.00	ACUITE A3+ (Indicative)
	Bank Guarantee	Short term	15.00	ACUITE A3+ (Indicative)
09-Apr-18	Cash Credit	Long term	30.00	ACUITE BBB-/Stable (Downgraded)
	Cash Credit	Long term	15.00	ACUITE BBB- /Stable (Assigned)
	Term Loan	Long term	1.75	ACUITE BBB- /Stable (Assigned)
	Cash Credit	Long term	13.50	ACUITE BBB (Withdrawn)
	Term Loan	Long term	11.90	ACUITE BBB (Withdrawn)
	Letter of Credit	Short term	10.00	ACUITE A3+ (Reaffirmed)
	Bank Guarantee	Short term	15.00	ACUITE A3+ (Reaffirmed)
31 Jan 2017	Term Loan	Long term	11.90	ACUITE BBB/Stable (Reaffirmed)
	Cash Credit	Long term	38.50	ACUITE BBB/Stable (Reaffirmed)
	Letter of Credit	Short term	10.00	ACUITE A3+ (Reaffirmed)
	Bank Guarantee	Short term	3.00	ACUITE A3+ (Reaffirmed)
	Proposed Working Capital Demand Loan	Short term	3.10	ACUITE A3+ (Assigned)

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	30.00	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Term Loan	Not Available	Not Applicable	Not Available	1.75	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE A4+ (Downgraded from ACUITE A3+) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE A4+ (Downgraded from

					ACUITE A3+) Issuer not co-operating*
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*The issuer did not co-operate; based on best available information.

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited is a full-service Credit Rating 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.

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