

Press Release

Aarti Steels Limited (ASL)

02 August, 2017



Rating Update

Total Bank Facilities Rated*	Rs.507.33 Cr
Long Term Rating (Indicative)	SMERA A- Issuer not co-operating*
Short Term Rating (Indicative)	SMERA A2+ Issuer not co-operating*

#Refer Annexure for details

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

SMERA has reviewed the long term rating of '**SMERA A'** (**read as SMERA A minus**) and short term rating of **SMERA A2+ (read as SMERA A two plus)** on the Rs.507.33 crore bank facilities of Aarti Steels Limited (ASL). This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower: SMERA 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.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and SMERA's policies.

Applicable Criteria

- Manufacturing Entities: <https://www.smerra.in/criteria-manufacturing.htm>
- Default Recognition: <https://www.smerra.in/criteria-default.htm>
- Financial Ratios and Adjustments: <https://www.smerra.in/criteria-fin-ratios.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). SMERA endeavoured to gather information about the entity / industry from the public domain. Therefore, SMERA cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Company: The Punjab-based, Aarti Steels Limited (ASL), established in 1979 was promoted by Mr Mittal and family. The company is engaged in the manufacture of sponge iron (capacity 320,000 TPA), steel ingot/billets (230,500 TPA), ferro alloys (25000 TPA) among others.

ASL has two power plants (40 MW & 50 MW) with manufacturing facilities located in Ludhiana, Punjab and Cuttack, Odisha.

Rating History:

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
05 May, 2016	Cash Credit I	Long Term	25.00	SMERA A-/ Stable (Assigned)
	Cash Credit II	Long Term	140.00	SMERA A-/ Stable (Assigned)
	Cash Credit III	Long Term	50.00	SMERA A-/ Stable (Assigned)
	Cash Credit IV	Short Term	15.00	SMERA A-/ Stable (Assigned)
	Cash Credit V	Short Term	70.00	SMERA A-/ Stable (Assigned)
	Term Loan I	Long Term	5.26	SMERA A-/ Stable (Assigned)
	Term Loan II	Long Term	3.81	SMERA A-/ Stable (Assigned)
	Term Loan III	Long Term	5.60	SMERA A-/ Stable (Assigned)
	Term Loan IV	Long Term	2.66	SMERA A-/ Stable (Assigned)
	Bank Guarantee	Short Term	10.00	SMERA A2+ (Assigned)
	Inland/Import letter of credit	Short Term	20.00	SMERA A2+ (Assigned)
	Letter of Credit	Short Term	20.00	SMERA A2+ (Assigned)
	Bank Guarantee/Letter of Credit	Short Term	25.00	SMERA A2+ (Assigned)
	Non-fund based Limit	Short Term	115.00	SMERA A2+ (Assigned)

*Fully interchangeable with working capital demand loan

*includes sub-limit of pre-shipment (packing credit) limit of Rs.0.40 crore and post shipment limit (FDBN/FDBP/FDBD) of Rs.0.40 crore.

Annexure - Details of instruments rated:

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings
Cash Credit I	NA	NA	NA	25.00	SMERA A-/Stable Issuer not co-operating*
Cash Credit II	NA	NA	NA	140.00	SMERA A-/Stable Issuer not co-operating*
Cash Credit III	NA	NA	NA	50.00	SMERA A-/Stable Issuer not co-operating*
Cash Credit IV	NA	NA	NA	15.00	SMERA A-/Stable Issuer not co-

					operating*
Cash Credit V	NA	NA	NA	70.00	SMERA A-/Stable Issuer not co-operating*
Term Loan I	NA	NA	NA	5.26	SMERA A-/Stable Issuer not co-operating*
Term Loan II	NA	NA	NA	3.81	SMERA A-/Stable Issuer not co-operating*
Term Loan III	NA	NA	NA	5.60	SMERA A-/Stable Issuer not co-operating*
Term Loan IV	NA	NA	NA	2.66	SMERA A-/Stable Issuer not co-operating*
Bank Guarantee	NA	NA	NA	10.00	SMERA A2+ Issuer not co-operating*
Inland/Import letter of credit	NA	NA	NA	20.00	SMERA A2+ Issuer not co-operating*
Letter of Credit	NA	NA	NA	20.00	SMERA A2+ Issuer not co-operating*
Bank Guarantee/Letter of Credit	NA	NA	NA	25.00	SMERA A2+ Issuer not co-operating*
Letter of Credit	NA	NA	NA	115.00	SMERA A2+ Issuer not co-operating*

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

Contacts:

Analytical	Rating Desk
Vinayak Nayak, Head – Ratings Operations, SMERA Bond Ratings Tel: 022-67141190 Email: vinayak.nayak@smera.in	Varsha Bist Sr. Executive Tel: 022-67141160 Email: varsha.bist@smera.in
Vinita Ida Rodrigues Sr. Manager – Rating Operations Tel: 022-67141115 Email: vinita.rodrigues@smera.in	

ABOUT SMERA

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