



Press Release

Aarti Steels Limited

October 13, 2018

Rating Update

Total Bank Facilities Rated*	Rs. 507.33 Cr.#
Long Term Rating	ACUITE A- Issuer not co-operating*
Short Term Rating	ACUITE A2+ Issuer not co-operating*

#Refer Annexure for details

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

Rating Rationale

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

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 due date.

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

Applicable Criteria

- Default Recognition -<https://www.acuite.in/view-rating-criteria-17.htm>
- Manufacturing Entities- <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios and Adjustments <https://www.acuite.in/financial-sector-ratings.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:

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.

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

None

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
2nd Aug 17	Cash Credit I	Long Term	25.00	ACUITE A- (Indicative)
	Cash Credit II	Long Term	140.00	ACUITE A- (Indicative)
	Cash Credit III	Long Term	50.00	ACUITE A- (Indicative)
	Cash Credit IV	Long Term	15.00	ACUITE A- (Indicative)
	Cash Credit V	Long Term	70.00	ACUITE A- (Indicative)
	Term Loan I	Long Term	5.26	ACUITE A- (Indicative)
	Term Loan II	Long Term	3.81	ACUITE A- (Indicative)
	Term Loan III	Long Term	5.60	ACUITE A- (Indicative)
	Term Loan IV	Long Term	2.66	ACUITE A- (Indicative)
	Bank Guarantee	Short Term	10.00	ACUITE A2+ (Indicative)
	Inland/Import letter of credit	Short Term	20.00	ACUITE A2+ (Indicative)
	Letter of Credit	Short Term	20.00	ACUITE A2+ (Indicative)
	Bank Guarantee/Letter of Credit	Short Term	25.00	ACUITE A2+ (Indicative)
	Non-fund based	Short Term	115.00	ACUITE A2+

	Limit			(Indicative)
5th May 16	Cash Credit I	Long Term	25.00	ACUITE A-/Stable (Assigned)
	Cash Credit II	Long Term	140.00	ACUITE A-/Stable (Assigned)
	Cash Credit III	Long Term	50.00	ACUITE A-/Stable (Assigned)
	Cash Credit IV	Long Term	15.00	ACUITE A-/Stable (Assigned)
	Cash Credit V	Long Term	70.00	ACUITE A-/Stable (Assigned)
	Term Loan I	Long Term	5.26	ACUITE A-/Stable (Assigned)
	Term Loan II	Long Term	3.81	ACUITE A-/Stable (Assigned)
	Term Loan III	Long Term	5.60	ACUITE A-/Stable (Assigned)
	Term Loan IV	Long Term	2.66	ACUITE A-/Stable (Assigned)
	Bank Guarantee	Short Term	10.00	ACUITE A2+ (Assigned)
	Inland/Import letter of credit	Short Term	20.00	ACUITE A2+ (Assigned)
	Letter of Credit	Short Term	20.00	ACUITE A2+ (Assigned)
	Bank Guarantee/Letter of Credit	Short Term	25.00	ACUITE A2+ (Assigned)
	Non-fund based Limit	Short Term	115.00	ACUITE A2+ (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 I	Not Applicable	Not Applicable	Not Applicable	25.00	ACUITE A- Issuer not co-operating*
Cash Credit II	Not Applicable	Not Applicable	Not Applicable	140.00	ACUITE A- Issuer not co-operating*
Cash Credit III	Not Applicable	Not Applicable	Not Applicable	50.00	ACUITE A- Issuer not co-operating*

Cash Credit IV	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE A- Issuer not co-operating*
Cash Credit V	Not Applicable	Not Applicable	Not Applicable	70.00	ACUITE A- Issuer not co-operating*
Term Loan I	Not Applicable	Not Applicable	Not Applicable	5.26	ACUITE A- Issuer not co-operating*
Term Loan II	Not Applicable	Not Applicable	Not Applicable	3.81	ACUITE A- Issuer not co-operating*
Term Loan III	Not Applicable	Not Applicable	Not Applicable	5.60	ACUITE A- Issuer not co-operating*
Term Loan IV	Not Applicable	Not Applicable	Not Applicable	2.66	ACUITE A- Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE A2+ Issuer not co-operating*
Inland/Import letter of credit	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE A2+ Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE A2+ Issuer not co-operating*
Bank Guarantee/Letter of Credit	Not Applicable	Not Applicable	Not Applicable	25.00	ACUITE A2+ Issuer not co-operating*
Non-fund based Limit	Not Applicable	Not Applicable	Not Applicable	115.00	ACUITE A2+ Issuer not co-operating*

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

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile SMERA Ratings 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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