

Press Release

K.J. Steel Rolling Mills

October 31, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	20.00	ACUITE BB+ Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	20.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE BB+**' (read as **ACUITE double B Plus**) on the Rs.20.00 crore bank facilities of K.J. Steel Rolling Mills (KJSRM). The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

About the Company

Jalandar based K. J. Steel Rolling Mills (KJSRM) was formed as a partnership in January 2004. Mr. Pawan Goyal and Mr. Pritpal Singh Chawla are the active partners looking after day-to-day operations of the firm, whereas Mrs. Jyoti Goyal and Mrs. Mohinder Kaur are the inactive partners. The firm is engaged in the business of manufacturing of flats, bars and spring steel. The firm purchases this raw material from the various suppliers of Punjab and after the manufacturing sells these to various clients of Punjab, Haryana and Delhi.

The firm is a part of KJ Group comprising of K.J. International, K.J. Steel Rolling Mills, Arora Iron & Steel Rolling Mills Private Limited, Bhawani Shankar Castings Private Limited and Jyoti Industries. The group has integrated operations for the manufacturing of rolled-products for automobile industry, hand tools and general engineering industry. Further, the operations are backward integrated with the manufacturing facilities of billets and ingots.

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 the due date.

Acuite 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 Acuite'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 endeavored 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.

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

Material Covenants

None

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook

Not Applicable

Status of non-cooperation with previous CRA

None

Any other information

None

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité 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
04 Aug 2021	Cash Credit	Long Term	20.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
13 Jun 2019	Cash Credit	Long Term	20.00	ACUITE BBB Stable (Reaffirmed)
22 Mar 2018	Cash Credit	Long Term	20.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
18 Aug 2017	Cash Credit	Long Term	20.00	ACUITE BBB- Stable (Upgraded from ACUITE BB Stable)
14 Sep 2016	Cash Credit	Long Term	20.00	ACUITE BB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Punjab National Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE BB+ Reaffirmed Issuer not co-operating*

Contacts

Analytical	Rating Desk
Pooja Ghosh Vice President-Rating Operations Tel: 022-49294041 pooja.ghosh@acuite.in Abhishek Singh Analyst-Rating Operations Tel: 022-49294065 abhishek.s@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

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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