

Press Release

AVK Ispat Private Limited

September 19, 2022



Rating Downgraded and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|---------------------------------------|---------------------|---|----------------------|
| Bank Loan Ratings | 17.00 | ACUITE BB+ Downgraded Issuer not co-operating* | - |
| Total Outstanding Quantum (Rs. Cr) | 17.00 | - | - |
| Total Withdrawn Quantum (Rs. Cr) | 0.00 | - | - |

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB**' (read as **ACUITE triple B**) on the Rs.17.00 Cr bank facilities of AVK Ispat Private Limited (AIPL). The rating is now flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

Mumbai-based AVK Ispat Private Limited was established in 2010. The company is engaged in the trading of non-prime flat steel products such as sheets, hot rolled/cold rolled coils, galvanized coils & plates. The board of directors includes Mr. Vimal Sewda and Mr. Kamal Sewda.

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 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 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). 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 ratings are based.

Rating Sensitivities

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

Other Factors affecting Rating

None

Key Financials:

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

Status of non-cooperation with previous CRA

CRISIL vide its press release dated 11 June 2021, has mentioned the rating of AIPL to 'CRISIL B+ /Stable' (Reaffirmed & Issuer Not Cooperating) as on 11 June 2021.

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Trading Entitie: <https://www.acuite.in/view-rating-criteria-61.htm>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|-------------|--------------------------------|-----------|-----------------|--|
| 25 Jun 2021 | Cash Credit | Long Term | 17.00 | ACUITE BBB Stable (Reaffirmed) |
| 29 Jan 2020 | Cash Credit | Long Term | 17.00 | ACUITE BBB Stable (Upgraded from ACUITE BBB- Positive) |
| 06 Jan 2020 | Cash Credit | Long Term | 17.00 | ACUITE BBB- Positive (Reaffirmed) |
| 04 Mar 2019 | Cash Credit | Long Term | 17.00 | ACUITE BBB- Stable (Reaffirmed) |
| 05 Dec 2017 | Cash Credit | Long Term | 17.00 | ACUITE BBB- Stable (Reaffirmed) |
| 25 Oct 2017 | Cash Credit | Long Term | 2.80 | ACUITE BBB- Stable (Assigned) |
| | Proposed Cash Credit | Long Term | 12.20 | ACUITE BBB- Stable (Assigned) |

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Quantum (Rs. Cr.) | Rating |
|----------------------|----------------|-------------------|-------------------------|--------------------|----------------------|--------------------------|--|
| Bank of Maharashtra | Not Applicable | Cash Credit | Not Applicable | Not Applicable | Not Applicable | 17.00 | ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB) |

Contacts

| Analytical | Rating Desk |
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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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