

Press Release

Amit Iron Private Limited

March 10, 2023



Rating Reaffirmed and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|---------------------------------------|---------------------|-----------------------------------------------------|----------------------|
| Bank Loan Ratings | 120.00 | ACUITE D Reaffirmed Issuer not co-operating* | - |
| Total Outstanding Quantum (Rs. Cr) | 120.00 | - | - |

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE D**' (read as **ACUITE D**) on the Rs. 120.00 crore bank facilities of Amit Iron Private Limited (AIPL). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on best available information.

About the Company

AIPL is an authorized distributor of Tata Steel Limited for its hot and cold rolled products with the installed capacity of 7000-8000 TPA. The business was established in 1974 under the name of Eskay Industrial Corporation. Later in 2000, the name and the constitution of the company was changed to Amit Iron Private Limited and become a private limited company. Currently, the business is run by Mr. Amit Agarwal, who has been in this company since 2000. The company has its registered office located in Kolkata (West Bengal). AIPL also has its own service centre with cutting machine and packing facility in Amta (West Bengal).

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, 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). 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 based.

Rating Sensitivity

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

Material Covenants

Not Applicable

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Key Financials

| Particulars | Unit | FY 21 (Actual) | FY 20 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income | Rs. Cr. | 2.31 | 96.82 |
| PAT | Rs. Cr. | 2.26 | (32.39) |
| PAT Margin | (%) | 98.04 | (33.45) |
| Total Debt/Tangible Net Worth | Times | (5.36) | (5.14) |
| PBDIT/Interest | Times | 1.87 | (3.77) |

Status of non-cooperation with previous CRA

Not Applicable

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.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, Acuite 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 |
|-------------|--------------------------------|-----------|-----------------|----------------------------------------------------|
| 14 Dec 2021 | Cash Credit | Long Term | 10.00 | ACUITE D (Issuer not co-operating*) |
| | Channel Financing | Long Term | 15.00 | ACUITE D (Issuer not co-operating*) |
| | Proposed Channel Financing | Long Term | 10.00 | ACUITE D (Issuer not co-operating*) |
| | Channel Financing | Long Term | 15.00 | ACUITE D (Issuer not co-operating*) |
| | Channel Financing | Long Term | 60.00 | ACUITE D (Issuer not co-operating*) |
| | Channel Financing | Long Term | 10.00 | ACUITE D (Issuer not co-operating*) |
| 17 Sep 2020 | Channel Financing | Long Term | 10.00 | ACUITE D (Downgraded and Issuer not co-operating*) |
| | Cash Credit | Long Term | 10.00 | ACUITE D (Downgraded and Issuer not co-operating*) |
| | Channel Financing | Long Term | 15.00 | ACUITE D (Downgraded and Issuer not co-operating*) |
| | Proposed Channel Financing | Long Term | 10.00 | ACUITE D (Downgraded and Issuer not co-operating*) |
| | Channel Financing | Long Term | 15.00 | ACUITE D (Downgraded and Issuer not co-operating*) |
| | Channel Financing | Long Term | 60.00 | ACUITE D (Downgraded and Issuer not co-operating*) |
| 02 Mar 2020 | Channel Financing | Long Term | 15.00 | ACUITE BB- (Issuer not co-operating*) |
| | Proposed Channel Financing | Long Term | 10.00 | ACUITE BB- (Issuer not co-operating*) |
| | Channel Financing | Long Term | 15.00 | ACUITE BB- (Issuer not co-operating*) |
| | Cash Credit | Long Term | 10.00 | ACUITE BB- (Issuer not co-operating*) |
| | Channel Financing | Long Term | 10.00 | ACUITE BB- (Issuer not co-operating*) |
| | Channel Financing | Long Term | 60.00 | ACUITE BB- (Issuer not co-operating*) |

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Complexity Level | Quantum (Rs. Cr.) | Rating |
|---------------------|----------------|---------------------------------|------------------|----------------|----------------|------------------|-------------------|-----------------------------------------------------------|
| ICICI Bank Ltd | Not Applicable | Cash Credit | Not Applicable | Not Applicable | Not Applicable | Simple | 10.00 | ACUITE D Reaffirmed Issuer not co-operating* |
| Axis Bank | Not Applicable | Channel/Dealer/Vendor Financing | Not Applicable | Not Applicable | Not Applicable | Simple | 15.00 | ACUITE D Reaffirmed Issuer not co-operating* |
| State Bank of India | Not Applicable | Channel/Dealer/Vendor Financing | Not Applicable | Not Applicable | Not Applicable | Simple | 60.00 | ACUITE D Reaffirmed Issuer not co-operating* |
| Yes Bank Ltd | Not Applicable | Channel/Dealer/Vendor Financing | Not Applicable | Not Applicable | Not Applicable | Simple | 10.00 | ACUITE D Reaffirmed Issuer not co-operating* |
| ICICI Bank Ltd | Not Applicable | Channel/Dealer/Vendor Financing | Not Applicable | Not Applicable | Not Applicable | Simple | 15.00 | ACUITE D Reaffirmed Issuer not co-operating* |
| Not Applicable | Not Applicable | Proposed Channel Financing | Not Applicable | Not Applicable | Not Applicable | Simple | 10.00 | ACUITE D Reaffirmed Issuer not co-operating* |

Contacts

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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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