

Press Release

Rajuri Steels Private Limited

December 11, 2019

Rating Update



Total Bank Facilities Rated*	Rs. 85.50 Cr. #
Long Term Rating	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Short Term Rating	ACUITE A4+ (Downgraded from ACUITE A3+) Issuer not co-operating*

Refer Annexure for details

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

Acuité has downgraded the long term rating of Rajuri Steels Private Limited (RSPL) to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and short term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3+**' (read as **ACUITE A three plus**). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

RSPL, incorporated in 1990, is engaged in manufacturing of MS Billets and TMT bars. The manufacturing facility is located at Jalna (Maharashtra) with an installed capacity of 2, 80,000 tonnes per annum (TPA) for TMT rolling and 1, 40,000 tonnes per annum for MS Billets. The management is headed by Mr. Rath and Mr. Lohiya. The company caters to the real estate and construction industries through a vast network of 450 dealers spread across Maharashtra, Madhya Pradesh, Gujarat and Karnataka.

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.

Acuité 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.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities- <https://www.acuite.in/view-rating-criteria-4.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 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 attempts

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

Not Applicable

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
19-Jul-2019	Cash Credit	Long Term	32.50	ACUITE BBB- Issuer not co-operating*
	Term Loan	Long Term	40.00	ACUITE BBB- Issuer not co-operating*
	Bank Guarantee	Short Term	7.00	ACUITE A3+ Issuer not co-operating*
	Letter of Credit	Short Term	6.00	ACUITE A3+ Issuer not co-operating*
21-May-2018	Cash Credit	Long Term	32.50	ACUITE BBB-/ Stable (Assigned)
	Term Loan	Long Term	40.00	ACUITE BBB-/ Stable (Assigned)
	Bank Guarantee	Short Term	7.00	ACUITE A3+ (Assigned)
	Letter of Credit	Short Term	6.00	ACUITE A3+ (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	32.50	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	40.00	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE A4+ (Downgraded from ACUITE A3+) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	6.00	ACUITE A4+ (Downgraded from ACUITE A3+) Issuer not co-operating*

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

Contacts

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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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