

Press Release

Acme Forgings

January 17, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	6.90		ACUITE A4 Downgraded Issuer not co-operating*
Bank Loan Ratings	5.10	ACUITE B+ Downgraded Issuer not co-operating*	
Total	12.00	-	-

Refer Annexure for details

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

Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE B+** (read as ACUITE B plus) from '**ACUITE BB-**' (read as ACUITE double B minus) and the short term rating to '**ACUITE A4**' (read as ACUITE A four) from '**ACUITE A4+**' (read as ACUITE A four plus) on the Rs. 12.00 crore bank facilities of Acme Forgings(AF). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Firm

Acme Forgings (AF) was established by Late Mr. Jatinder Mohan in 1979. Initially, the firm started with manufacturing of hand-tools. Later in 2000, AF started manufacturing high-quality durable and cost-effective scaffolding fittings and ancillary equipment. The firm's product range includes industrial couplers, swivel couplers, pressed steel, timber beam coupler, scaffolding clamp, to name a few. The firm has two units located in Punjab with an installed capacity of 1300 MTPM. The firm exports 90 percent of its production to countries like England, Netherlands, Poland, Germany, Australia and the Middle East and the balance production is distributed in the domestic market.

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 the due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an 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 Acuité'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

Not Applicable.

Liquidity Indicators

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

Outlook

Not Applicable.

Status of non-cooperation with previous CRA

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.

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
19 Oct 2020	Term Loan	Long Term	0.40	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Packing Credit	Short Term	4.40	ACUITE A4+ (Issuer not co-operating*)
	Letter of Credit	Short Term	0.50	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	1.60	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Proposed Bank Facility	Long Term	3.10	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Bills Discounting	Short Term	2.00	ACUITE A4+ (Issuer not co-operating*)
29 Jul 2019	Term Loan	Long Term	0.40	ACUITE BB (Issuer not co-operating*)
	Bills Discounting	Short term	2.00	ACUITE A4+ (Issuer not co-operating*)
	Letter of Credit	Short term	0.50	ACUITE A4+ (Issuer not co-operating*)
	Proposed Bank Facility	Long Term	3.10	ACUITE BB (Issuer not co-operating*)
	Cash Credit	Long Term	1.60	ACUITE BB (Issuer not co-operating*)
	Packing Credit	Short term	4.40	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	1.60	ACUITE BB Stable (Assigned)
	Term Loan	Long Term	0.40	ACUITE BB Stable (Assigned)

01 Jun 2018	Packing Credit	Short Term	4.40	ACUITE A4+ (Assigned)
	Bills Discounting	Short Term	2.00	ACUITE A4+ (Assigned)
	Letter of Credit	Short Term	0.50	ACUITE A4+ (Assigned)
	Proposed Bank Facility	Long Term	3.10	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	Bills Discounting	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE A4 Downgraded Issuer not co-operating* (from ACUITE A4+)
Punjab National Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	1.60	ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-)
Punjab National Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE A4 Downgraded Issuer not co-operating* (from ACUITE A4+)
Punjab National Bank	Not Applicable	PC/PCFC	Not Applicable	Not Applicable	Not Applicable	4.40	ACUITE A4 Downgraded Issuer not co-operating* (from ACUITE A4+)
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	3.10	ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-)
Punjab National Bank	Not Applicable	Term Loan	Not available	Not available	Not available	0.40	ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-)

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About Acuité Ratings & Research

Acuité Ratings & Research 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 8,850 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 Kanjurmarg, Mumbai.

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