

Press Release

Aakaf Steel Private Limited

February 17, 2021

Rating Update



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|-------------------------------------|--|
| Total Bank Facilities Rated* | Rs.21.00 Cr. # |
| Long Term Rating | ACUITE B+ (Downgraded from ACUITE BB-/Stable) Issuer not co-operating* |
| Short Term Rating | ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating* |

Refer Annexure for details

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

ACUITE has reviewed and downgraded the long term rating to '**ACUITE B+**' (read as '**ACUITE B plus**') from '**ACUITE BB-**' (read as '**ACUITE double B minus**') and short term rating to '**ACUITE A4**' (read as '**ACUITE A four**') from '**ACUITE A4+**' (read as '**ACUITE A four plus**') on the Rs.21.00 Cr bank facilities of Aakaf Steel Private Limited (ASPL). This rating is now an indicative rating and is based on the best available information.

The Gujarat based, Aakaf Steel Private Limited (erstwhile Aakaf Steel) was originally established as a proprietorship firm in 1992 which then merged with Aakaf Industrial Corporation and the constitution was changed to private limited company in 2000. The company is engaged in trading of iron and steel products mainly steel plates, channels, beams, bars, among others. The company is promoted by Mr. Abdul kadir H. Memon, Mr. Abdul Gafar H. Nagani, Mr. Afzal Nagani and Mr. Mohamad Nagani.

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 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.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Trading Entities - <https://www.acuite.in/view-rating-criteria-61.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). Acuite endeavoured 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 rating is based.

Liquidity Indicator

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

Rating Sensitivity

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

About the Rated Entity - Key Financials

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

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

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.

Rating History (Upto last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr.) | Ratings/Outlook |
|-------------|---------------------------------|------------|------------------|--------------------------------|
| 27-Nov-2019 | Cash Credit | Long Term | 18.00* | ACUITE BB-/Stable (Reaffirmed) |
| | Bills Discounting | Short Term | 3.00 | ACUITE A4+ (Reaffirmed) |
| 28-Nov-2018 | Cash Credit | Long Term | 18.00* | ACUITE BB-/Stable (Reaffirmed) |
| | Bills Discounting | Short Term | 3.00 | ACUITE A4+ (Assigned) |
| 10-Oct-2018 | Cash Credit | Long Term | 18.00* | ACUITE BB-/Stable (Assigned) |

* Cash Credit includes sublimit of Letter of credit to the extent of Rs.6.00Cr

#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 | 18.00 | ACUITE B+ (Downgraded from ACUITE BB-/Stable) Issuer not co-operating* |
| Bill Discounting | Not Applicable | Not Applicable | Not Applicable | 3.00 | ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating* |

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

Contacts

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About Acuite Ratings & Research:

Acuite 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 8,564 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.

Disclaimer: *An Acuite rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuite ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuite, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuite is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuite ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuite, Acuite's rating scale and its definition.*