

Press Release

Aakaf Steel Private Limited

February 17, 2021



Rating Update

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

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.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité'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). Acuité endeavoured 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.

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

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
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

Analytical	Rating Desk
Aditya Gupta Vice President- Corporate and Infrastructure Sector Tel: 022-49294041 aditya.gupta@acuite.in Kumar Abhisek Analyst - Rating Operations Tel: 011- 49731308 kumar.abhisek@acuite.in	Varsha Bist Senior Manager - Rating Desk Tel: 022-49294011 rating.desk@acuite.in

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 8,564 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.

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