

Press Release

Garg Steels

May 17, 2022



Rating Reaffirmed and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|---|------------------|---|-------------------|
| Bank Loan Ratings | 12.00 | ACUITE B+ Reaffirmed Issuer not co-operating* | - |
| Total Outstanding Quantum (Rs. Cr) | 12.00 | - | - |
| Total Withdrawn Quantum (Rs. Cr) | 0.00 | - | - |

Refer Annexure for details

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

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE B+**' (read as **ACUITE B plus**) on the Rs.12.00 Cr bank facilities of Garg Steels (GS). The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

About the Firm

Garg Steels (GS) is a partnership firm established in 2005 by Mr. Suresh Garg, Mr. Amit Garg, Mrs. Shruti Garg in Jalandhar (Punjab). The firm is engaged in trading of steel products such as CR coils, HR Coil, HR Sheets, HR Plates. GS is an authorised distributor of Steel Authority of India Limited (SAIL).

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 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 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 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

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>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|-------------|--------------------------------|-----------|-----------------|---|
| 11 Feb 2021 | Cash Credit | Long Term | 12.00 | ACUITE B+ (Downgraded and Issuer not co-operating*) |
| 04 Dec 2019 | Cash Credit | Long Term | 12.00 | ACUITE BB- (Issuer not co-operating*) |
| 17 Oct 2018 | Cash Credit | Long Term | 12.00 | 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 | Cash Credit | Not Applicable | Not Applicable | Not Applicable | 12.00 | ACUITE B+ Reaffirmed Issuer not co-operating* |

Contacts

| Analytical | Rating Desk |
|---|--|
| Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in | Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in |
| Ashvita Ramesh Analyst-Rating Operations Tel: 022-49294065 ashvita.ramesh@acuite.in | |

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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