

Press Release

Maa Kudargarhi Steels Private Limited

October 21, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	103.91	ACUITE BBB Downgraded Issuer not co-operating*	-
Bank Loan Ratings	2.35	-	ACUITE A3+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	106.26	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long term rating to 'ACUITE BBB' (read as ACUITE triple B) from 'ACUITE BBB+' (read as ACUITE triple B plus) and short term rating to 'ACUITE A3+' (read as ACUITE A threeplus) from 'ACUITE A2' (read as ACUITE A two) on the Rs. 106.26 crore bank facilities of Maa Kudargarhi Steels Private Limited. The rating is now flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

Maa Kudargarhi Steels Private Limited a Raipur based company was established in the year 2004 by Mr. Anil Kumar Agarwal and Mr. Sunil Kumar Agarwal and started its commercial operation in 2006. The company is engaged in manufacturing of TMT bar with an installed capacity of 360,000 MTPA. The company has tied up with Kamdhenu Limited to produce and sell TMT bars under the brand name of 'Kamdhenu'. The company is now selling 85 per cent of its total production of TMT bars under the brand name of 'Kamdhenu' and rest they are selling under their own brand named 'Buniyaad'. The company is also engaged in trading of MS billet and bauxite.

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 noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating continues to be 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). 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 ratings is based.

Rating Sensitivities

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

Material Covenants

None

Liquidity Position

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

Outlook

Not Applicable

Key Financials:

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

Status of non-cooperation with previous CRA

Care Ratings, vide its press release dated Sept 16, 2022 had rated Maa Kudargarhi Steels Private Limited 'CARE BB; ISSUER NOT COOPERATING'.

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

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Complexity Level Of Financial Instruments: <https://www.acuite.in/view-rating-criteria-55.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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
29 Jul 2021	Working Capital Term Loan	Long Term	11.73	ACUITE BBB+ Stable (Reaffirmed)
	Cash Credit	Long Term	50.00	ACUITE BBB+ Stable (Reaffirmed)
	Working Capital Demand Loan	Long Term	4.58	ACUITE BBB+ Stable (Assigned)
	Bank Guarantee	Short Term	2.35	ACUITE A2 (Reaffirmed)
	Working Capital Term Loan	Long Term	4.87	ACUITE BBB+ Stable (Assigned)
	Proposed Bank Facility	Long Term	0.37	ACUITE BBB+ Stable (Reaffirmed)

	Term Loan	Long Term	5.51	ACUITE BBB+ Stable (Reaffirmed)
	Cash Credit	Long Term	25.00	ACUITE BBB+ Stable (Reaffirmed)
	Working Capital Demand Loan	Long Term	1.85	ACUITE BBB+ Stable (Assigned)
22 Jun 2021	Bank Guarantee	Short Term	2.35	ACUITE A2 (Reaffirmed)
	Cash Credit	Long Term	50.00	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Proposed Bank Facility	Long Term	3.67	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Cash Credit	Long Term	25.00	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Working Capital Term Loan	Long Term	11.73	ACUITE BBB+ Stable (Assigned)
	Term Loan	Long Term	5.51	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
20 Feb 2020	Term Loan	Long Term	10.79	ACUITE BBB Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	0.12	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	25.00	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	50.00	ACUITE BBB Stable (Reaffirmed)
	Bank Guarantee	Short Term	2.35	ACUITE A2 (Assigned)
11 Mar 2019	Cash Credit	Long Term	35.00	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	20.26	ACUITE BBB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Union Bank of India	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	2.35	ACUITE A3+ Downgraded Issuer not co-operating*
Union Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	50.00	ACUITE BBB Downgraded Issuer not co-operating*
Punjab National Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	25.00	ACUITE BBB Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	0.37	ACUITE BBB Downgraded Issuer not co-operating*
Union Bank of India	Not Applicable	Term Loan	31-05-2018	12.90	30-04-2025	5.51	ACUITE BBB Downgraded Issuer not co-operating*
Union Bank of India	Not Applicable	Working Capital Demand Loan (WCDL)	Not available	Not available	Not available	4.58	ACUITE BBB Downgraded Issuer not co-operating*
Punjab National Bank	Not Applicable	Working Capital Demand Loan (WCDL)	Not available	Not available	Not available	1.85	ACUITE BBB Downgraded Issuer not co-operating*
Punjab National Bank	Not Applicable	Working Capital Term Loan	31-12-2020	8.35	31-12-2024	4.87	ACUITE BBB Downgraded Issuer not co-operating*
Union Bank of India	Not Applicable	Working Capital Term Loan	31-12-2020	7.80	31-12-2024	11.73	ACUITE BBB Downgraded Issuer not co-

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Contacts

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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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