

Press Release

ARS Steels And Alloy International Private Limited

May 12, 2023



Rating Downgraded & Withdrawn and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Ratings Loan	82.00	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating*	-
Bank Ratings Loan	53.00	-	ACUITE A4+ Downgraded & Withdrawn Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	135.00	-	-

Rating Rationale

Acuite has downgraded and withdrawn the long term rating to '**ACUITE BB+**' (**Read as ACUITE double B plus**) from '**ACUITE BBB**' (**Read as ACUITE triple B**) and short term rating to '**ACUITE A4+**' (**Read As ACUITE A four plus**) from '**ACUITE A2**' (**Read As ACUITE A two**) on the Rs 135.00 crore bank facilities of ARS Steel Alloy International Private Limited.

The rating is being withdrawn on account of request received from the company and NOC received from the banker, as per Acuite's policy of withdrawal of ratings. The rating is now an indicative rating, and downgraded on account of information risk.

About the Company

Chennai based, M/s. ARS Steels & Alloy International Private Limited (ARS Steels) begun its operations from September 1990 with the name of ARS Metals Private Limited. Later after the inception of energy division in 2013, the company demerged the steel and power division into two different companies i.e., ARS Steels & Alloys International Limited and ARS Energy Private Limited. From 2013, both the companies together refer to as ARS group which is promoted by its current Managing Director Mr. Ashwini Kumar Bhatia. The company currently has one manufacturing plant located at Gummidipoondi, Tamil Nadu. The Company is engaged in manufacturing and selling of TMT bars.

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 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 co-operating”, 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 issuer has not shared the latest financial statement for Acuite to comment

Rating Sensitivity

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

Material Covenants

Not Applicable

Liquidity Position

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

Outlook:

Not Applicable

Other Factors Affecting the Rating

None

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>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria “Complexity Level Of Financial Instruments” on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
08 Dec 2022	Proposed Bank Facility	Long Term	53.00	ACUITE BBB Negative (Downgraded from ACUITE BBB+ Stable)
	Letter of Credit	Short Term	13.50	ACUITE A2 (Downgraded from ACUITE A2+)
	Letter of Credit	Short Term	39.50	ACUITE A2 (Downgraded from ACUITE A2+)
	Cash Credit	Long Term	21.00	ACUITE BBB Negative (Downgraded from ACUITE BBB+ Stable)
	Cash Credit	Long Term	8.00	ACUITE BBB Negative (Downgraded from ACUITE BBB+ Stable)
15 Sep 2021	Cash Credit	Long Term	21.00	ACUITE BBB+ Stable (Assigned)
	Cash Credit	Long Term	8.00	ACUITE BBB+ Stable (Assigned)
	Letter of Credit	Short Term	27.00	ACUITE A2+ (Assigned)
	Letter of Credit	Short Term	79.00	ACUITE A2+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Canara Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	21.00	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating*
Punjab National Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	8.00	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating*
Punjab National Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	13.50	ACUITE A4+ Downgraded & Withdrawn Issuer not co-operating*
Canara Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	39.50	ACUITE A4+ Downgraded & Withdrawn Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	53.00	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating*

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in Radhika Kolwankar Analyst-Rating Operations Tel: 022-49294065 radhika.kolwankar@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@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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