

Press Release

Giriraj Iron Limited

September 07, 2020



Rating Update

Total Bank Facilities Rated*	Rs.15.00 crore#
Short Term Rating	ACUITE A4+ (Downgraded from ACUITE A3; Issuer not co-operating*)

#Refer Annexure for details

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

Acuité has downgraded the short-term rating to '**ACUITE A4+ (read as ACUITE A four plus)**' from '**ACUITE A3 (read as ACUITE A three)**' on the Rs.15.00 crore bank facilities of Giriraj Iron Limited (GIL). The rating downgraded is on account of information risk, required for review of ratings. The rating is now an indicative rating and is based on the best available information.

Giriraj Iron Limited (GIL) and Giriraj Exim Private Limited (GEPL) are together referred to as Giriraj group. Giriraj Exim Private Limited was formed in 2008 as an importer of Mild Steel (MS) Sheets.

Giriraj Iron Limited was established in 2011 as a trading company in a variety of products including H R Coil, H R Sheet, M S Coil, M S Plates, among others. Giriraj group is promoted by the Shah Family with their warehouse located at Ahmedabad (Gujarat) and business operations spread across Maharashtra and Gujarat. The Shah family is in this business since 1946. The Directors of the company, Mr. Bhadresh Shah and Mr. Shailesh Shah have 30 years of experience in the business of steel trading.

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 the due date.

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

Applicable Criteria

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

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)

None

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
25-June-2019	Letter of Credit	Short Term	5.70	ACUITE A3 (Downgraded from ACUITE A3+; Withdrawn)
	Letter of Credit	Short Term	12.00	ACUITE A3 (Downgraded from ACUITE A3+; Withdrawn)
	Letter of Credit	Short Term	15.00	ACUITE A3 (Downgraded from ACUITE A3+)
04-April-2018	Letter of Credit	Short Term	5.70	ACUITE A3+ (Assigned)
	Letter of Credit	Short Term	12.00	ACUITE A3+ (Assigned)
	Letter of Credit	Short Term	15.00	ACUITE A3+ (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE A4+ (Downgraded from ACUITE A3; 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	Varsha Bist Senior Manager - Rating Desk Tel: 022 49294011 rating.desk@acuite.in
Rupesh Patel Senior Analyst – Rating Operations Tel: 022 49294044 rupesh.patel@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 6,000 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 Acuité 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. Acuité 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, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité 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. Acuité 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 Acuité.