

RATING RATIONALE

28 December 2020

Arya Steel Rolling India Ltd

Brickwork Ratings downgrades the Long Term rating and short term rating for the Bank Loan Facilities ₹ 24.00 crores of Arya Steel Rolling India Ltd based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		BWR Rating History (November, 2019)	Rating Recommended
Fund Based:	18.00	18.00	Long term	BWR BB Stable Reaffirmation Issuer Not Cooperating	BWR BB- Stable Downgraded Issuer Not Cooperating
Non Fund Based	6.00	6.00	Short Term	BWR A4+ Reaffirmation Issuer Not Cooperating	BWR A4 Downgraded Issuer Not Cooperating
Total	24.00	24.00	INR Eight Crores and Fifty Two Lakhs Only		

Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

* Issuer did not cooperate, based on best available information.

RATING ACTION/ OUTLOOK/NATURE OF NON-COOPERATION :

Brickwork Ratings downgrades the Long Term rating and short term to BWR BB-(Stable)/A4 Issuer Not Cooperating* from BWR BB(Stable)/A4+ Issuer Not Cooperating* for the Bank Loan Facilities ₹ 24.00 crores of Arya Steel Rolling India Ltd, based on best available information, as the issuer did not cooperate.

BWR had assigned the rating of BWR BB(Stable)/A4+ in September,2017.. BWR took up surveillance in November,2019 and on non cooperation from the client rated as BWR BB(Stable)/A4+ Issuer not Cooperating. The rating was due for surveillance in November,2020. The firm was being followed up for surveillance dated 5th October, 12th October, 19th October 2020,3rd November,10th, 17th November , 24th November, 30th November 2020 for its rating and clients responded for withdrawal of the rating however have not submitted any information for withdrawal of the rating despite close follow up. BWR followed up with Banker for Banker



feedback via mails and calls dated 5th October, 12th October, 19th October 2020, 3rd November, 10th, 17th November, 24th November, 30th November 2020. The text messages sent to the client dated 24th and 27th December which remained unresponded. The company Arya Steel Rolling India Ltd did not cooperate for review of rating for the bank loan facilities of Rs.24.00 Crs. In the absence of adequate information from the Company, Brickwork Ratings is unable to assess the Company's financial performance and its ability to service its debt and maintain a valid rating. Hence, on account of inadequate information and lack of management cooperation, BWR has downgraded the rating BWR BB-(Stable)/A4 under the Issuer Not Cooperating category.

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholdings of the information required for a review of the rating.

KEY FINANCIAL INDICATORS (in ₹ Cr) (Information received as on September, 2017)

Key Parameters	Units	FY 17	FY 16
Result Type		Audited	Audited
Operating Revenue	₹ Crs	136.22	147.68
EBITDA	₹ Crs	4.53	1.23
PAT	₹ Crs	0.77	0.70
Tangible Networth	₹ Crs	21.01	20.24
Total Debt / Tangible Networth	Times	0.87	0.81
Current Ratio	Times	1.50	1.47

COMPANY PROFILE (Information received as on August, 2018)

The Company was Incorporated in 2006, ASRIL is promoted by Mr. Rajendra Prasad Singla and operates a steel rolling mill. Arya Steel Rollings India Limited having commenced commercial production on September 13, 2007, Kolhapur-based ASRIL is mainly engaged in the production of TMT bars of various sizes which it markets under the 'SHIRDI 500 TMT' brand. The company started a project to set up a rolling mill facility in Kolhapur (Maharashtra), which started commercial operations in 2006, with an installed capacity of 90,000 tonnes per annum of TMT

bars. The company customizes the products according to the customer requirement. The company is based in Kolhapur (Maharashtra). Its sales are largely focused in the States of Maharashtra, Karnataka, Goa and Kerala.

NON-COOPERATION WITH PREVIOUS RATING AGENCY :- Crisil B+(Stable) Issuer not cooperating (May 8, 2020)

Other Information- CARE BB+ (Stable) (March,2020)

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

Facilities	Current Rating			Rating History						
	Tenure	Amount (₹ Cr)	Rating	2019			2018	2017		
Fund Based	Long Term	18.00	BWR BB- Stable (Downgraded) Issuer not cooperating	Long Term	18.00	BWR BB (Stable) (Reaffirmed) Issuer not cooperating	-	Long Term	18.00	BWR BB Stable
Non Fund Based	Short term	6.00	BWR A4 (Downgraded) Issuer not cooperating	Short term	6.00	BWR A4+ (Reaffirmed) Issuer not cooperating		Short term	6.00	BWR A4+
Total		24.00	INR Twenty Four Crores Only							

* Issuer did not cooperate. Based on best available information

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- **General Criteria**
- **Approach to Financial Ratio**
- **What constitutes Non cooperation**

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ANNEXURE I

Arya Steel Rolling India Ltd
Details of Bank Facilities rated by BWR

Name of the Bank	Facilities	Type	Tenure	Total [₹ Cr]
PNB, Panjim, Goa	Cash Credit	Fund Based	Long Term	18.00
	ILC ILG	Non Fund based	Short term	5.00 1.00
INR Twenty Four Crores Only				24.00

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