



## Rating Rationale

M/S Avni Steels

29 March 2018

**Brickwork Ratings has reviewed the Rating for the Bank Loan facilities of ₹ 8.00 Crore of Avni Steels based on best available information, as the issuer did not cooperate. Accordingly the rating for the said instrument is as under:**

### Particulars:

Facility	Amount (₹ Crs)	Tenure	*Previous Rating (2016)	Present Rating (2018) Downgraded
Fund Based Cash Credit	8.00	Long Term	BWR B (Pronounced as BWR B) (Outlook:Stable)	BWR D (Pronounced as BWR D); Issuer Did Not Cooperate
Total	8.00	INR Eight Crores Only		

*\*Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings  
Issuer did not cooperate; based on best available information*

### Nature of Non-Cooperation

The Initial rating was done on 30 June 2016 with rating assigned BWR B (Outlook: Stable). BWR took up with the issuer and banker to provide the required information.

Despite the best efforts of BWR to get at least the minimum required information for a review, the firm has not provided the same. In the absence of adequate information from the issuer, BWR is unable to assess the issuer's financial performance and its ability to service its debt and maintain a valid rating. As per information provided by Banker there are defaults in payments and account is in NPA 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.

### About the Company(Information as available in June 2016)

Avni Steels is a Proprietorship concern managed by Mr. Ajay Kumar Garg. The firm was established in the year 2000 and it is based at Ghaziabad, U.P. The firm is involved in trading of iron and steel with sales of TMT bars, coils and plates (HR, CR etc). The firm has two owned warehouses at Loha Mandi Gaziabad, U.P.

**Status of non-cooperation with previous CRA: NA**



**Rating History for the last three years (including withdrawn/suspended ratings):**

Facility	Amount (₹ Crs)	Tenure	Present Rating (2018) Downgraded	2017	2016	2015
Fund Based Cash Credit	8.00	Long Term	BWR D (Pronounced as BWR D); Default/ Issuer Did Not Cooperate	Rating Not Reviewed	BWR B (pronounced as BWR SIngle B) Outlook: Stable	NA
Total	8.00	INR Eight Crores Only				

**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)

For any other criteria obtain [hyperlinks](#) from website

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**For print and digital media**

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**Note on complexity levels of the rated instrument:**

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).



### **About Brickwork Ratings**

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA& the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

### **DISCLAIMER**

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.