

## Kaizen Cold Formed Steel Private Limited

October 10, 2022

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	6.00	CARE B-; Stable; ISSUER NOT COOPERATING* (Single B Minus; Outlook: Stable ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	8.07	CARE A4; ISSUER NOT COOPERATING* (A Four ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>14.07</b> <b>(Rs. Fourteen Crore and Seven Lakhs Only)</b>		

*Details of instruments/facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated August 03, 2021, placed the rating(s) of Kaizen Cold Formed Steel Private Limited (KCF SPL) under the 'issuer non-cooperating' category as KCF SPL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. KCF SPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated June 19, 2022, June 29, 2022, July 09, 2022.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

### Detailed description of the key rating drivers

Please refer to PR dated [August 03, 2021](#)

**Analytical approach:** Standalone

### Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

### About the Company

Kaizen Cold Formed steel Private Limited (Kaizen) was incorporated in 2009 by Mr. Raghav Saraf and his brother Mr. Rahul Saraf. The company is located at Chennai, Tamilnadu. Kaizen deals in trading of wide range of products steels such as HR coils/Sheets and CR Coils / Sheets other steels TMT Bars, channels etc.

Brief Financials (Rs. crore)	FY20 (A)	FY21(A)	FY22(Prov.)	H1FY23(Prov.)
Total operating income	50.73	32.08	NA	NA
PBILDT	1.94	1.19	NA	NA
PAT	0.22	0.18	NA	NA
Overall gearing (times)	3.07	2.58	NA	NA
Interest coverage (times)	1.24	0.76	NA	NA

A: Audited; Prov: Provisional; NA: Not Available

**Status of non-cooperation with previous CRA:** INDIA Ratings has continued the ratings assigned to the bank facilities of KCF SPL to the 'issuer not-cooperating' category vide press release dated March 30, 2022 on account its inability to carryout review in the absence of best available information from the company.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

**Covenants of rated instrument/facility:** Annexure 3

**Complexity level of various instruments rated for this company:** Annexure 4

**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	6.00	CARE B-; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit		-	-	-	7.00	CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	1.00	CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - ST-Credit Exposure Limit		-	-	-	0.07	CARE A4; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; Based on best available information

**Annexure-2: Rating history for the last three years**

Sr. No.	Name of the Instrument / Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Cash Credit	LT	6.00	CARE B-; Stable; ISSUER NOT COOPERATING *	-	1)CARE B-; Stable; ISSUER NOT COOPERATING * (03-Aug-21)	1)CARE B-; Stable; ISSUER NOT COOPERATING * (24-Jun-20)	-
2	Non-fund-based - ST-Letter of credit	ST	7.00	CARE A4; ISSUER NOT COOPERATING *	-	1)CARE A4; ISSUER NOT COOPERATING * (03-Aug-21)	1)CARE A4; ISSUER NOT COOPERATING * (24-Jun-20)	-
3	Non-fund-based - ST-Bank Guarantee	ST	1.00	CARE A4; ISSUER NOT COOPERATING *	-	1)CARE A4; ISSUER NOT COOPERATING * (03-Aug-21)	1)CARE A4; ISSUER NOT COOPERATING * (24-Jun-20)	-
4	Non-fund-based - ST-Credit Exposure Limit	ST	0.07	CARE A4; ISSUER NOT COOPERATING *	-	1)CARE A4; ISSUER NOT COOPERATING * (03-Aug-21)	1)CARE A4; ISSUER NOT COOPERATING * (24-Jun-20)	-

\*Issuer did not cooperate; Based on best available information

**Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities:** Not Applicable

**Annexure-4: Complexity level of various instruments rated for this company**

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - ST-Bank Guarantee	Simple
3	Non-fund-based - ST-Credit Exposure Limit	Simple
4	Non-fund-based - ST-Letter of credit	Simple

**Annexure-5: Bank lender details for this company**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for any clarifications.

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**About CARE Ratings Limited:**

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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