

Balu Iron and Steel Company

July 12, 2022

Ratings

| Facilities/Instruments | Amount (Rs. crore) | Rating ¹ | Rating Action |
|------------------------------|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| Long Term Bank Facilities | 100.00 | CARE B-; Stable; ISSUER NOT COOPERATING* (Single B Minus; Outlook: Stable; ISSUER NOT COOPERATING*) | Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B; Stable; (Single B; Outlook: Stable) |
| Total Bank Facilities | 100.00 (Rs. One Hundred Crore Only) | | |

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated May 20, 2021, placed the rating(s) of Balu Iron and Steel Company (BISC) under the 'issuer non-cooperating' category as BISC 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. BISC continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated April 05, 2022, April 15, 2022, April 25, 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).

The ratings assigned to the bank facilities of BISC have been revised on account of non-availability of requisite information.

Detailed description of the key rating drivers

Please refer to PR dated [May 20, 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 Firm

Balu Iron and Steel Company (BISC) was formed in 2013 to get into Iron & steel trading business. The firm was started to be a dealer in TMT bars, Cold Rolled and Hot Rolled Steel. The Firm now functions as an exclusive dealer for JSW steel in 12 districts of Western and Southern Tamilnadu. The Firm has a warehouse headquarters at Coimbatore. The Firm was started by 4 partners – Mr. G. Kanagachalam, Mr. B. Karthick, Mrs. K. Jagatha & Mrs. B. Bhagyalakshmi.

| Brief Financials (Rs. crore) | FY20(A) | FY21(A) | FY22(Prov.) | Q1FY23 (Prov.) |
|------------------------------|---------|---------|-------------|----------------|
| Total operating income | NA | NA | NA | NA |
| PBILDT | NA | NA | NA | NA |
| PAT | NA | NA | NA | NA |
| Overall gearing (times) | NA | NA | NA | NA |
| Interest coverage (times) | NA | NA | NA | NA |

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

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Status of non-cooperation with previous CRA: CRISIL continued the ratings assigned to the bank facilities of BISC to the 'issuer not-cooperating' category vide press release dated May 11, 2022 on account its inability to carryout review in the absence of best available information from the Firm.

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 Firm: Annexure 4

Annexure-1: Details of Instruments/Facilities

| Name of the Instrument | IS IN | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. crore) | Rating Assigned along with Rating Outlook |
|-----------------------------|-------|------------------|-------------|---------------|-------------------------------|-------------------------------------------|
| Fund-based - LT-Cash Credit | | - | - | - | 100.00 | CARE B-; Stable; ISSUER NOT COOPERATING* |

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of 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 | 100.00 | CARE B-; Stable; ISSUER NOT COOPERATING* | - | 1)CARE B; Stable; ISSUER NOT COOPERATING* (20-May-21) | 1)CARE B+; Stable; ISSUER NOT COOPERATING* (15-Jun-20) | 1)CARE BB-; Stable; ISSUER NOT COOPERATING* (20-May-19) |

*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 Firm:

| Sr. No. | Name of Instrument | Complexity Level |
|---------|-----------------------------|------------------|
| 1 | Fund-based - LT-Cash Credit | Simple |

Annexure 5: Bank Lender Details for this Firm

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

Note on complexity levels of the rated instrument: CARE Ratings Ltd. 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 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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