

Keelz Facility Management Services Private Limited

May 16, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Non-convertible debentures	15.00	CARE D	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has arrived at the rating of Keelz Facility Management Services Private Limited (Keelz) after factoring business and financial profiles of Bhandari Foils & Tubes Limited (BFTL; rated 'CARE D; ISSUER NOT COOPERATING'), given that there are no standalone operations in Keelz and BFTL shall remain liable for servicing the debt obligations of Keelz. The rating assigned to instruments of Keelz factors poor liquidity marked by inadequacy of cashflows for servicing debt obligations. The rating further reflects weak financial profile of BFTL marked by negative net worth, recently completed One Time Settlement (OTS) of its BFTL's dues with its lenders, working capital intensive operations, exposure of BFTL's profitability to volatile raw material prices, and its presence in highly fragmented and cyclical steel industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Turnaround in business operations of BFTL marked by substantial increase in scale of operations and healthy profit before interest, lease rentals, depreciation and taxation (PBILDT) margins on a sustained basis.
- Decline in debt of BFTL resulting in interest coverage above 1.0x on a sustained basis.

Negative factors

Not applicable

Analytical approach: Standalone

The rating of Keelz has been also arrived at factoring business and financial profiles of BFTL given that there are no standalone operations in Keelz and BFTL shall remain liable for servicing the debt obligations of Keelz. Keelz is a Special Purpose Vehicle (SPV) to mobilise funds for infusion in BFTL.

Detailed description of key rating drivers:

Key weaknesses

Cash flows to remain inadequate to service debt obligations and weak financial profile of BFTL

Keelz, an SPV, is raising ₹15 crore in non-convertible debentures (NCDs), which shall be utilised towards infusion in BFTL for meeting its working capital requirement. Keelz is a non-operational company, and the debt being raised in Keelz shall be serviced by BFTL. Being part of Bhandari Group of Chennai, BFTL is engaged in manufacturing stainless steel (SS) and tubes. Its operations experienced a significant downturn from FY19 due to the imposition of anti-dumping duties by the US on steel products imported from India resulting in decline in revenue and continued losses leading to stress in liquidity. BFTL consequently defaulted in servicing bank debt obligations leading to classification of the account as non-performing asset (NPA) by banks. Challenges in securing adequate working capital funding resulted in further scale down of operations of the company.

In March 2025, BFTL has settled the account with its banks under OTS Scheme at ~₹100 crore, with banks taking the haircut of ~₹54 crore. Such settlement has been funded through NCDs of ₹90 crore raised at BFTL and balance through own funds. With completion of OTS and infusion of funds by Keelz for working capital, BFTL is expected to scale up its operations.

Notwithstanding the expected scale up of operations, cashflows are unlikely to remain adequate to service the debt obligations. BFTL also has a weak financial profile marked by negative net worth, which restricts the flexibility to raise funds.

Working capital intensive nature of operations

This industry is inherently working capital intensive, primarily due to the long inventory holding period. Additionally, the competitive nature of the industry requires extending longer credit periods to customers. Elongated working capital cycle could constrain the liquidity and ability to scale up of operations.

Presence in highly fragmented and cyclical stainless steel tubes and pipes industry

The SS tubes and pipes industry is intensely competitive and fragmented marked by the presence of both larger players and numerous smaller players in the unorganised segment. The demand of welded and seamless tubes and pipes is considered

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

cyclical, as it depends upon the capital expenditure plan of major players in the end-user industry. Hence, it is susceptible to the slowdown in the end-user industries and global economic slowdown. The industry also faces threat of cheaper imports from China, Europe, and Taiwan. The company's operating margin remains susceptible to volatility in raw materials prices.

Liquidity: Poor

Cash accruals are expected to be insufficient to meet the debt obligation over the medium term. Further, coupon on NCDs to be raised by Keelz is expected to be substantially high at ~20% p.a. The group plans to monetise its assets to meet its scheduled debt obligations.

Key strength

Experience of promoters in the steel industry

The promoters have wide experience and long track record of over three decades in the SS industry. BFTL has a wide range of SS products, including tubes, pipes, pipe fittings, coils, foils, and strips. The company's operations are also supported by the backward integration with manufacturing facility for cold-rolled stainless steel (CRSS) coils, which is the raw material for manufacturing SS tubes and pipes.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Financial Ratios – Non financial Sector](#)

[Service Sector Companies](#)

[Manufacturing Companies](#)

About the company and industry

Industry classification

Macroeconomic	Sector	Industry	Basic industry
Services	Services	Commercial services & supplies	Diversified commercial services

Incorporated in 2019, Keelz, headquartered in Chennai, Tamil Nadu, was acquired by the Bhandari Group, based out of Chennai, in January 2025. The company is an SPV for raising funds, to be utilised for infusion in BFTL for working capital purpose. The company was incorporated to provide Facility Management Services; however, it is not operational.

Brief Financials- Keelz (₹ crore)	FY23 (A)	FY24(A)
Total operating income	0.00	0.00
PBILDT	0.00	0.00
PAT	0.00	0.00
Overall gearing (times)	0.00	0.00
Interest coverage (times)	0.00	0.00

A: Audited

Note: these are latest available financial results; Financials are reclassified per CARE Ratings' standards

About Bhandari Foils & Tubes Limited - Incorporated in 1993, BFTL, promoted by Bhandari group, is engaged in manufacturing SS Tubes, Bright Annealing tubes, CRSS Coils, Strips, Foils, Sections, and Components, among others. BFTL has its manufacturing unit situated in Dewas, Madhya Pradesh, and has an installed capacity of 9,000 Metric Ton Per Annum (MTPA) for SS Tubes/Bright Annealing tubes, 6,000 MTPA for SS Sections/Components/Strips, and 8,000 MTPA for CRSS Coils/Strips/Foils.

Brief Financials – BFTL (₹ crore)	FY23 (A)	FY24 (A)	9MFY25 (UA)
Total operating income	23.93	11.11	0.39
PBILDT	-16.94	-1.41	-3.84
PAT	-20.28	-2.10	-3.80
Overall gearing (times)	NM	NM	NM
Interest coverage (times)	NM	NM	NM

A: Audited; UA: Unaudited; NM: Not Meaningful since PBILDT and net worth are negative

Note: these are latest available financial results; Financials are reclassified per CARE Ratings' standards.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Debentures-Non-convertible debentures (Proposed)		-	-	-	15.00	CARE D

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Debentures-Non-convertible debentures	LT	15.00	CARE D				

LT: Long term;

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Debentures-Non-convertible debentures	Simple

Annexure-5: Lender details:

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

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:

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