



## Press Release

**Bhaskar Steel & Ferro Alloy Pvt Ltd**

**May 14, 2020**

### **Ratings**

<b>Instrument / Facility</b>	<b>Amount (Rs. Crore)</b>	<b>Ratings</b>	<b>Rating Action</b>
Long Term Fund Based Limits – Cash Credit (including proposed limit of Rs.1.60 crore)	36.60	IVR BB+; ISSUER NOT COOPERATING* (IVR Double B Plus; Issuer Not Cooperating)	Rating Downgraded from IVR BBB-/Positive; (IVR Triple B minus with Positive outlook; and moved to Issuer Not Cooperating)
Short Term Non Fund Based Limits –Letter of Credit	3.90	IVR A4+; ISSUER NOT COOPERATING* (IVR Single A four Plus; Issuer Not Cooperating)	Rating Downgraded from IVR A3; (IVR Single A three; and moved to Issuer Not Cooperating)
Short Term Non Fund Based Limits –Bank Guarantee	2.50	IVR A4+; ISSUER NOT COOPERATING* (IVR Single A four Plus; Issuer Not Cooperating)	Rating Downgraded from IVR A3; (IVR Single A three; and moved to Issuer Not Cooperating)
<b>Total</b>	<b>43.00</b>		

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

### **Details of Facility are in Annexure 1**

### **Detailed Rationale**

The rating revision is because of lack of adequate information regarding Bhaskar Steel & Ferro Alloy Private Limited's performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity.

### **Non-cooperation by Issuer**

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide E-mail communications dated May 08, 2020, May 09, 2020 and May 11, 2020 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted all the essential details. Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the



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rating based on the best available information. Accordingly, the long- term and short term rating for the bank loan facilities of Bhaskar Steel & Ferro Alloy Private Limited aggregating to Rs.43.00 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB+/Stable; Issuer Not Co-operating; Based on best available information (IVR Double B Plus with Stable outlook: Issuer Not Co-operating; Based on best available information) and IVR A4+: Issuer Not Co-operating; Based on best available information. (IVR Single A Four Plus: Issuer Not Co-operating; Based on best available information)".

### **Analytical Approach & Applicable Criteria**

Guidelines on what constitutes Non-Cooperation by clients

Rating Methodology for Manufacturing Companies

Criteria on Default Recognition and Post-Default Curing Period

### **About the Company**

Bhaskar Steel & Ferro Alloy Private Limited (BSFAPL), incorporated in September 2003, was promoted by Maliram Shiva Kumar Group, a group based out of Nepal. The company was taken over by the promoters of SRMB Srijan Pvt. Ltd. in Oct, 2010BSFAPL is majorly into manufacturing of Sponge Iron and billets and trading of TMT Bars, Billets, etc. The Board of Directors of BSFAPL comprises promoter directors. The day-to-day affairs of the factory are looked after by Mr. Nikunj Beriwal, while Mr. Ashish Beriwal looks after the procurement of raw materials. The promoters have around two decades of business experience in trading & manufacturing of iron and steel products.

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

**Any other information: Nil**



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### Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2020-21)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18
1.	Fund Based Limits – Cash Credit (including proposed limit of Rs.1.60 crore)	Long Term	36.60	IVR BB+/Stable; ISSUER NOT COOPERATING	-	IVR BBB-/Positive (February 21, 2019)	-
2.	Non Fund Based Limits – Letter of Credit	Short Term	3.90	IVR A4+; ISSUER NOT COOPERATING	-	IVR A3 (February 21, 2019)	-
3	Non Fund Based Limits – Bank Guarantee	Short Term	2.50	IVR A4+; ISSUER NOT COOPERATING	-	IVR A3 (February 21, 2019)	-

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

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).

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### About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities



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and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

### Annexure 1: Details of Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Fund Based Limits – Cash Credit (including proposed limit of Rs.1.60 crore)	-	-	-	36.60	IVR BB+/Stable; ISSUER NOT COOPERATING
Non Fund Based Limits –Letter of Credit	-	-	-	3.90	IVR A4+; ISSUER NOT COOPERATING
Non Fund Based Limits –Bank Guarantee	-	-	-	2.50	IVR A4+; ISSUER NOT COOPERATING

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