



Press Release

Baba Structural Private Limited

July 30, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	50.30 (Enhanced from Rs. 49.98 crore)	IVR BBB-; Stable (IVR Triple B Minus with Stable Outlook)	IVR BBB-; Stable (IVR Triple B Minus with Stable Outlook)	Rating Reaffirmed	Simple
Short Term Bank Facility	2.70	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)	Rating Reaffirmed	Simple
Long Term Bank Facilities- Term Loans/ GECL/ WCDL	-	-	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	Rating Withdrawn	-
Total	53.00 (Rupees Fifty- Three Crore only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The reaffirmation of the ratings assigned to the bank facilities of Baba Structural Private Limited (BSPL) continues to derive strength from its experienced promoters, stable business performance in FY25 (Prov.) [FY refers to the period from April 1 to March 31] and satisfactory capital structure. However, these rating strengths continue to remain constrained by thin profitability, lack of backward integration, susceptibility of profitability to fluctuation in raw material prices, competitive and cyclical nature of the steel industry.

The ratings assigned to the term loans, WCDL and GECL facilities is withdrawn based on No Due Certificate issued by the lender. The rating is being withdrawn in accordance with Infomerics' Policy on Withdrawal of ratings.

The stable outlook reflects expected stable business performance of the company in the near to medium term underpinned by extensive experience of the promoters.

Key Rating Sensitivities:

Upward Factors

- Growth in revenue with improvement in profitability metrics thereby leading to overall improvement in cash accruals on a sustained basis



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- Sustenance of the capital structure with improvement in overall gearing ratio and/or improvement in debt protection metrics on a sustained basis

Downward Factors

- Decline in revenue and profitability leading to deterioration in gross cash accruals and debt protection metrics on a sustained basis
- Moderation in the capital structure with moderation in overall gearing to over 2x
- Moderation in liquidity position marked by elongation in operating cycle

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Experienced promoters**

Mr. Ravindra Kumar Chaudhary and Mr. Rohit Kumar Chaudhary, have an experience of more than a decade of experience in manufacturing of M.S. Channel, M.S. Flats, M.S. Angle, M.S. Rounds and trading activities of steel and steel related products through BSPL. Presently, the day-to-day affairs of the company is looked after by both with adequate support from experienced professionals. Moreover, BSPL is in operations for a decade and thereby having an established track record of operations.

- **Stable business performance in FY25 (Prov.)**

The total operating income (TOI) of BSPL had moderated to Rs.402.50 crore in FY25 (Prov.) on account of moderation in sales volume and realisation of its main product (MS angles and channels). Despite moderation in topline, the operating profit of the company has improved from Rs.10.24 crore in FY24 to Rs. 11.17 crore in FY25 (Prov.) mainly on account of lower raw material cost. PAT has also improved from Rs. 2.25 crore in FY24 to Rs.3.93 crore FY25 (Prov.) on the back of improved EBITDA along with lower depreciation expense. As on June 30, 2025, the company has clocked a revenue of Rs.99.52 crore.

- **Satisfactory capital structure**

The capital structure of the company continues to remain comfortable as on March 31, 2025 (Prov.). The long-term debt equity ratio and overall gearing ratio stood comfortable at 0.18x and 1.46x respectively as on March 31, 2025 (Prov.) as against 0.50x and 1.59x respectively as on March 31, 2024 on account of scheduled repayment of term liabilities and accretion of profit to reserves. Total indebtedness of the company marked by TOL/ATNW also stood satisfactory at 2.27x as on March 31, 2025 (Prov.) as compared to 2.46x as on March 31,



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2024. Debt protection metrics of the company as indicated by interest coverage ratio has also improved from 2.18x in FY24 to 2.29x in FY25 (Prov.) on account of increase in operating profit. Total debt to EBITDA and total debt to NCA have also improved from 5.23 times and 9.77 years respectively as on March 31, 2024 to 5.01 times and 8.38 years respectively as on March 31, 2025 (Prov.).

Key Rating Weaknesses

- **Thin profitability**

Profit margins, though improved, continues to remain thin in FY25 (Prov.). EBITDA margin and PAT margin have improved from 2.49% and 0.55% in FY24 to 2.78% and 0.98% in FY25 (Prov.) respectively.

- **Lack of backward integration**

BSPL's limited backward integration in operation restricts value addition and exposes it to fluctuations in raw material prices compared to the relatively integrated players.

- **Susceptibility of profitability to fluctuation in raw material prices**

The price of steel is volatile in nature and the same exposes the company to input price fluctuation risk. Furthermore, billet prices are showing an increasing trend. Hence, the margins are susceptible to the volatility in the input prices.

- **Competitive nature of the industry likely to keep margins under check**

The fragmented nature of the secondary steel industry and intense competition from other organised as well as unorganised players restricts the pricing power of the company and is also likely to keep its margins of the company under check going forward.

- **Exposure to cyclicity in the steel industry**

The domestic steel industry is cyclical in nature and is likely to impact the cash flows of the steel players, including BSPL.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Policy on withdrawal of ratings](#)



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Complexity Level of Rated Instruments/Facilities

Liquidity – Adequate

The liquidity profile of BSPL is expected to remain adequate in the near term as the company is expected to generate adequate gross cash accruals to serve its debt obligations during FY26-FY28. In FY25 (Prov.), the company has generated gross cash accruals of Rs. 6.68 crore. An overall gearing ratio of 1.46 times as on March 31, 2025 (Prov.) suggests that the company has satisfactory gearing headroom. The current ratio also stood comfortable at 1.27 times as on March 31, 2025 (Prov.). However, the average fund-based utilization of the company remained high during the past 12 months ended April 2025 suggesting low liquidity buffer.

About the Company

Baba Structural Private Limited (BSPL) was incorporated on July 07, 2006 by Chaudhary family of Kolkata, West Bengal. The company remained dormant till 2011 and commenced its commercial operation in 2011. BSPL is engaged in manufacturing of iron and steel products like M.S. Angles, M.S. Channel, M.S. Flats, M.S. Rounds with a combined installed capacity of 48,000 MTPA (based on one shift per day) in Jamuria Industrial Area, West Bengal. The company increases its number of shifts as per requirement.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	411.74	402.50
EBITDA	10.24	11.17
PAT	2.25	3.93
Total Debt	53.56	55.99
Tangible Net Worth	33.62	38.31
EBITDA Margin (%)	2.49	2.78
PAT Margin (%)	0.55	0.98
Overall Gearing Ratio (x)	1.59	1.46
Interest Coverage (x)	2.18	2.29

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Care Edge Ratings vide its press release dated Feb 7, 2025 has maintained the ratings of BSPL in Issuer Not Cooperating category as



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the entity had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement despite repeated requests.

Crisil Ratings vide its press release dated July 31, 2024 has maintained the ratings of BSPL in Issuer Not Cooperating category as the entity did not provide the requisite information needed to conduct the rating exercise and NDS for the last three months.

Any other information: Nil

Rating History for last three years:

Sr. No	Name of Security/Facilities	Current Ratings (Year 2025-2026)			Rating History for the past 3 years		
		Type (Long Term/ Short Term)	Amount outstanding (Rs. Crore)	Ratings	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					May 17, 2024	-	-
1.	Term Loan/ GECL	Long Term	3.35	IVR BBB-/ Stable	IVR BBB-/ Stable	-	-
2.	Cash Credit	Long Term	44.65	IVR BBB-/ Stable	IVR BBB-/ Stable	-	-
3.	Pre Settlement Risk (PSR) and Adhoc Limit	Long Term	2.30	IVR BBB-/ Stable	IVR BBB-/ Stable	-	-
4.	Bank Guarantee	Short Term	2.70	IVR A3	IVR A3	-	-
5.	Term Loan/ GECL/WCDL*	Long Term	-	- Rating Withdrawn	IVR BBB-/ Stable	-	-

* Term Loan/ GECL/WCDL aggregating to Rs.6.69 were repaid and hence rating assigned to such facilities are withdrawn based on 'No due certificate' issued by the lender.

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration



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from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

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Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan/ GECL	-	-	-	Mar 2027	3.35	IVR BBB-/ Stable
Cash Credit	-	-	-	-	44.65	IVR BBB-/ Stable
Pre Settlement Risk (PSR) and Adhoc Limit	-	-	-	-	2.30	IVR BBB-/ Stable
Bank Guarantee					2.70	IVR A3



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Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/Len-Baba-Structural-30july25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

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.

