



Press Release

Pioneer Steels

June 23, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	71.50	IVR BB/ Negative ISSUER NOT COOPERATING* (IVR Double B with Negative Outlook Issuer Not Cooperating	IVR BB+/ Stable (IVR double B plus with stable outlook)	Downgraded and moved to Issuer Not Cooperating category	Simple
Total	71.50 (Rs seventy one crore and fifty lakhs only)				

*Issuer did not cooperate; based on best available information

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:

Infomerics Ratings (Infomerics) has downgraded and moved the ratings on the bank facilities of Pioneer Steels to the ISSUER NOT COOPERATING category because of lack of adequate information for review of rating 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 outlook remains negative due to information availability risk.

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 company.



Press Release

Non-Cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating for the bank facilities, vide mail communications dated April 02, 2025, April 09, 2025, May 08, 2025, May 27, 2025, May 29, 2025 and June 04, 2025. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details/information for surveillance exercise.

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 ratings based on the best available information. Accordingly, the long-term rating of the bank loan facility aggregating to Rs 71.50 crore of Pioneer Steels is moved to 'ISSUER NOT COOPERATING' category by Infomerics and the long-term rating will be at IVR BB/ Negative ISSUER NOT COOPERATING; based on best available information (IVR Double B with Negative outlook Issuer not cooperating; based on best available information)

Analytical Approach: Standalone

Applicable Criteria:

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Criteria of assigning Rating Outlook](#)

[Rating Methodology for Trading Companies](#)

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

[Complexity Level of Rated Instruments/Facilities](#)

[Default recognition policy](#)

About the company

Pioneer Steel was founded by Mr. R. Balakrishnan in the year 1958 in Coimbatore and is engaged in trading of iron and steel products including TMT Bar, Angles, Channels, HR Sheets, MS Plates, CR Sheets, Rounds, Squares, Flats, Round Pipes, Square Pipes, etc. with customer base across Tamil Nadu, Kerala, Karnataka and Andhra Pradesh. Pioneer Steels is the district dealer of SAIL (Steel Authority of India Limited) and Rashtriya Ispat Nigam Limited (RINL). The firm has also forayed into the renewable energy segment with an 800 kW windmill



Press Release

in Dharapuram and a 2 MW solar power plant in Karur. It is part of the Pioneer Group which has diversified business operations within textiles, agriculture, wind energy, and mobile phone distribution space.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2022	31-03-2023
	Audited	Audited
Total Operating Income	592.81	606.41
EBITDA	20.06	15.85
PAT	10.04	6.26
Total Debt	41.85	54.99
Tangible Net Worth	41.99	51.65
EBITDA Margin (%)	3.38	2.61
PAT Margin (%)	1.69	1.03
Overall Gearing Ratio (x)	1.00	1.06
Interest Coverage (x)	10.13	5.64

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Brickwork Ratings vide its PR dated July 17, 2024, has continued the ratings in Issuer Not Cooperating category due to non-submission of information by the company.

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2025-26)			Rating History for the past 3 years			
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25		Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2023-24
					April 30, 2024	April 17, 2024	June 15, 2023	
1	Term Loan	Long Term	3.60	IVR BB/ Negative ISSUER NOT COOPERATING*	IVR BB+/ Stable	IVR BB+/ Stable	IVR BBB- / Stable	-



Press Release

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2025-26)			Rating History for the past 3 years			
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25		Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2023-24
					April 30, 2024	April 17, 2024	June 15, 2023	
2	GECL	Long Term	6.90	IVR BB/ Negative ISSUER NOT COOPERATING*	IVR BB+/ Stable	IVR BB+/ Stable	IVR BBB-/ Stable	-
3	Cash Credit	Long Term	27.00	IVR BB/ Negative ISSUER NOT COOPERATING*	IVR BB+/ Stable	IVR BB+/ Stable	IVR BBB-/ Stable	-
4	Cash Credit (e-DFS)	Long Term	29.00	IVR BB/ Negative ISSUER NOT COOPERATING*	IVR BB+/ Stable	IVR BB+/ Stable	IVR BBB-/ Stable	-
5	Inventory Funding	Long Term	5.00	IVR BB/ Negative ISSUER NOT COOPERATING*	IVR BB+/ Stable	-	-	-

*Issuer did not cooperate; based on best available information



Press Release

Analytical Contacts:

Name: Mithun Vyas

Tel: (079) 40393043

Email: mithun.vyas@infomerics.com

About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) (formerly Infomerics Valuation and Rating Pvt Ltd) 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 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.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

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 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.



Press Release

Annexure 1: Instrument/Facility Details

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	-	FY28	3.60	IVR BB/Negative ISSUER NOT COOPERATING*
GECL 1	-	-	-	FY27	3.95	IVR BB/Negative ISSUER NOT COOPERATING*
GECL 2	-	-	-	FY28	2.95	IVR BB/Negative ISSUER NOT COOPERATING*
Cash Credit	-	-	-	-	27.00	IVR BB/Negative ISSUER NOT COOPERATING*
Cash Credit (E-DFS)	-	-	-	-	29.00	IVR BB/Negative ISSUER NOT COOPERATING*
Inventory Funding	-	-	-	-	5.00	IVR BB/Negative ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information

Annexure 2: Facility wise lender details: Not Applicable

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.