



Rating Rationale

Bajaj Steel and Industries Ltd.

9th March 2017

Brickwork Ratings assigns the ratings for the Bank Loan Facilities of Bajaj Steel and Industries Ltd (The Company) as follows:

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating*
Fund Based Cash Credit Term Loan	6.00 4.00	Long Term	BWR D (Pronounced as BWR single D)
Total	10.00	INR Ten Crores Only	

^ Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Ratings Assigned

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has primarily relied upon the audited financials up-to FY16, and publicly available information and the information/clarifications provided by the Company's management.

The rating, inter alia, has factored the long track record of the company in the steel industry, experience of the Directors, improved sales and adequate liquidity position. However, the rating is constrained by, inadequate coverage ratios, low networth, elongated cash conversion cycle, continuous delay in serving of debt obligations, stiff competition in the steel industry.

The ability of the company to promptly service debt obligations, sustain growth in operations, and better profit margins would be the key rating sensitivities.

Rating Outlook: Stable

BWR believes that **Bajaj Steel and Industries Ltd** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.



About the Company

Bajaj Steels & Industries Ltd was incorporated in the year 1972. as a closely held Public Limited Company. The registered Office of the company is situated at 123/355 Fazalganj Industrial Area Kanpur. The company is engaged in the manufacturing of the PATTA/PATTI of the stainless steel. The factory of the company is situated at B-10, Industrial Area, Phase-1, Orai, Dist-Jaloun. The Directors of the company are Mr. Praveen Kumar Agarwal, Mr. Pradeep Kumar Tayal and Mrs. Priti Agarwal.

Financial Performance

As per audited FY16 financials, the revenues are reported at Rs.23.33 Crores as against Rs .12.90 Crs in FY15. The Company has reported PAT of Rs (0.55) Crs in FY 16 as against Rs (0.45) Crs in FY 15

Rating History for the last three years (including withdrawn/suspended ratings)

Sl. No.	Facility	Current Rating (Year 2017)			Rating History	Rating History	Rating History
		Type	Amount (Rs Crs)	Rating	2016	2015	2014
1	Fund Based	Long Term	10.00	BWR D	Not Rated	Not Rated	Not Rated

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Sector](#)

Analysts	Media
S Venkatesh Chief General Manager- Ratings analyst@brickworkratings.com	media@brickworkratings.com
	Relationship Contact bd@brickworkratings.com
Phone: 1-860-425-2742	



For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.