

Rating Rationale

Bansal Steel Traders

28 March 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs. 9.50 Crs of Bansal Steel Traders.

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
<u>Fund Based</u>			
Cash Credit	4.00	Long Term	BWR B+ (Pronounced as BWR single B Plus) Outlook: Stable
Term Loan (proposed)	4.50	Long Term	
<u>Non Fund Based</u>			
BG	1.00	Short Term	BWR A4 (Pronounced as BWR A Four)
Total	Rs. 9.50 Crores (Rupees Nine Crore and Fifty Lakh Only)		

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

The assigned rating derives comfort from the established relationship with large steel manufactures, growth in sales and moderate debt protection metrics. The rating is, however, constrained by low profit margins, increase in inventory levels, high gearing and intense competition in the market which could adversely affect future profit margins.

Rating Outlook: Stable

BWR believes the **Bansal Steel Traders'** 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

Bansal Steel Traders is a proprietorship concern established in 2009 and is managed by Mrs. Rukman Rani, Mr. Sandeep Bansal and Mr. Mukesh Bansal. It is engaged in trading activities of steel and iron (TMT round bars, angles, rods).

Company Financial Performance

Turnover of the company has improved from Rs 54.38 crore in FY15 to Rs 58.20 crore in FY16 and PAT increased from Rs 0.46 Crs in FY15 to Rs. 0.55 Crs in FY16.

Rating History for the last three years: (including withdrawn/suspended ratings)

S.No.	Instrument/ Facility	Current Rating (Year 2017)			Rating History		
		Type	Amount (Rs Crs)	Rating	2016	2015	2014
1	Cash Credit	Long Term	4.00	BWR B+ (Pronounced as BWR single B Plus) Outlook: Stable	NA	NA	NA
2	Term Loan (proposed)	Long Term	4.50				
3.	BG	Short Term	1.00	BWR A4 (Pronounced as BWR A Four)			
			Rs 9.50 Cr (Rupees Nine Crore and Fifty Lakh Only.)				

Status of non-cooperation with previous CRA (if applicable): Reason and comments: NA

Any other information: NA

Hyperlink/Reference to Applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Trading Entity](#)
- [Short Term Debt](#)



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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

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