Press Release

Paul & Company Steel Merchants Private Limited

July 07, 2022

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	32.00	ACUITE BB- | Downgraded | Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	32.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has downgraded the long-term rating to **'ACUITE BB-' (read as ACUITE Double B Minus)** from **'ACUITE BB' (read as ACUITE double B)** on the Rs. 32.00 crore bank facilities of Paul & Company Steel Merchants Private Limited (PCSM). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

West Bengal based Paul & Company Steel Merchants Private Limited (PCSM), incorporated in 1985, is engaged in trading as sole distributor of Tata Tiscon (Tata Steel) in West Bengal for Howrah and Hooghly district. The company facilitates distributorship through 2 branches in West Bengal managing 120 dealers in two districts. Exclusivity arrangement with TATA Steel apart from Paul & Co, Tata Steel has 6 other distributors in other regions of West Bengal. Directors of Paul & Company Steel Merchants Private Limited are Suvajit Paul, Krishna Paul, Surajit Paul and Sunil Krishna Paul.

Non-cooperation by the issuer/borrower:

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

Acuité believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating continues to be flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavored to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

Material Covenants

Not Applicable

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook

Not Applicable

Status of non-cooperation with previous CRA

None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

- Trading Entities: https://www.acuite.in/view-rating-criteria-61.htm
- Default Recognition: https://www.acuite.in/view-rating-criteria-52.htm

Note on Complexity Levels of the Rated Instrument

https://www.acuite.in/view-rating-criteria-55.htm

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
08 Apr 2021	Secured Overdraft	Long Term	17.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Inventory Funding	Long Term	15.00	ACUITE BB (Downgraded and Issuer not co-operating*)
14 Jan 2020	Secured Overdraft	Long Term	17.00	ACUITE BB+ (Issuer not co-operating*)
	Inventory Funding	Long Term	15.00	ACUITE BB+ (Issuer not co-operating*)

15 Oct 2018	Secured Overdraft	Long Term	17.00	ACUITE BB+ (Issuer not co-operating*)
	Inventory Funding	Long Term	15.00	ACUITE BB+ (Issuer not co-operating*)
24 Oct 2017	Secured Overdraft	Long Term	17.00	ACUITE BB+ | Stable (Reaffirmed)
	Inventory Funding	Long Term	15.00	ACUITE BB+ | Stable (Reaffirmed)
24 May 2017	Secured Overdraft	Long Term	17.00	ACUITE BB+ (Issuer not co-operating*)
	Inventory Funding	Long Term	15.00	ACUITE BB+ (Issuer not co-operating*)
10 Mar 2016	Secured Overdraft	Long Term	17.00	ACUITE BB+ | Stable (Assigned)
	Inventory Funding	Long Term	15.00	ACUITE BB+ | Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Axis Bank	Not Applicable	Inventory Funding	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE BB- | Downgraded | Issuer not co-operating*
ICICI Bank Ltd	Not Applicable	Overdraft	Not Applicable	Not Applicable	Not Applicable	17.00	ACUITE BB- | Downgraded | Issuer not co-operating*

Contacts

Analytical	Rating Desk
Pooja Ghosh Vice President-Rating Operations Tel: 022-49294041 pooja.ghosh@acuite.in Abhishek Singh Junior Analyst-Rating Operations Tel: 022-49294065 abhishek.s@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.