

Press Release
Paras Bhavani Steel Private Limited

September 15, 2018



Rating Update

Total Bank Facilities Rated*	Rs. 68.50 Cr.#
Long Term Rating	ACUITE BB Issuer not co-operating*
Short Term Rating	ACUITE A4+ Issuer not co-operating*

#Refer Annexure for details

*The issuer did not co-operate; based on best available information.

Rating Rationale

Acuité has reviewed the long-term rating of '**ACUITE BB**' (**read as ACUITE double B**) and short term rating of **ACUITE A4+ (read as ACUITE A four plus)** on the Rs.68.50 crore bank facilities of **Paras Bhavani Steel Private Limited (PBSPL)**. This rating is now an indicative rating and is based on best available information.

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 due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>

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 endeavoured 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:

Incorporated in 2004, Paras Bhavani Steel Private Limited (Paras Bhavani) was promoted by Mr. Paras Mal Bohra and family. The company is engaged in the manufacture of steel rolled products, steel pipes among others at Ahmedabad. The company has two facilities located at Odhav and Rajpur with installed capacity of 24000 mtpa and 9000 mtpa respectively.

For FY2015-16, Paras Bhavani reported profit after tax (PAT) of Rs. 1.43 crore on operating income of Rs. 163.39 crore compared to PAT of Rs. 2.87 crore on operating income of Rs. 146.20 crore for FY2014-15. Further, the company reported revenue of Rs. 148.93 crore in FY2017 (Provisional) with PAT of Rs. 1.83 crore. The networth stands at Rs. 48.89 crore in FY2017 (Provisional) as against Rs. 43.77 crore in FY2016 and Rs. 38.52 crore in FY2015.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
17-Jun-17	Cash Credit	Long Term	25.00	ACUITE BB / Stable (Reaffirmed)
	Cash Credit	Long Term	8.00	ACUITE BB / Stable (Reaffirmed)
	Letter of Credit	Short Term	12.00	ACUITE A4+ (Reaffirmed)
	Letter of Credit	Short Term	10.00	ACUITE A4+ (Reaffirmed)
	Term Loan	Long Term	2.90	ACUITE BB / Stable (Reaffirmed)
	Term Loan	Long Term	3.48	ACUITE BB / Stable (Reaffirmed)
	Term Loan	Long Term	0.04	ACUITE BB / Stable (Reaffirmed)
	Proposed Term Loan	Long Term	6.68	ACUITE BB / Stable (Assigned)
	Term Loan	Long Term	0.40	ACUITE BB / Stable (Assigned)
17-May-16	Cash Credit	Long term	33.00	ACUITE BB / Stable (Assigned)
	Term Loan	Long term	13.50	ACUITE BB / Stable (Assigned)
	Letter of Credit	Short Term	22.00	ACUITE A4+ (Assigned)

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	25.00	ACUITE BB Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	8.00	ACUITE BB Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	2.90	ACUITE BB Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	3.48	ACUITE BB Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	0.04	ACUITE BB Issuer not co-operating*
Proposed Term Loan	Not Applicable	Not Applicable	Not Applicable	6.68	ACUITE BB Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	0.40	ACUITE BB Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	12.00	ACUITE A4+ Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE A4+ Issuer not co-operating*

*The issuer did not co-operate; based on best available information.

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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