

Press Release

Bala Industries

January 11, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	4.00		ACUITE A4 Reaffirmed Issuer not co-operating*
Bank Loan Ratings	5.50	ACUITE B Reaffirmed Issuer not co-operating*	
Total	9.50	-	-

Rating Rationale

Acuité has reaffirmed the long-term rating of '**ACUITE B**' (**read as ACUITE B**) and the short term rating of '**ACUITE A4**' (**read as ACUITE A four**) on the Rs. 9.50 crore bank facilities of Bala Industries. The rating continues to be flagged as "Issuer Not-Cooperating" and is based on best available information.

About the Company

Established in 1997 by Mr. S A Arutchelvan, Bala Industries is a Chennai (Tamil Nadu) based partnership firm engaged in the manufacture of power and distribution transformers. The entity mainly supplies transformers to Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO). The entity also supplies windmill transformers to RRB Energy Ltd and Para Enterprises. The entity is promoted by Mr. S A Arutchelvan and Mrs. A Anuradha. The entity has an associate concern, namely, Paramount Industries, which is also engaged in the manufacture of power and distribution transformers.

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.

This rating is, therefore, being 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 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 - Key Financials

The rated entity has not shared the latest Financial Statements despite repeated attempts.

Rating Sensitivity

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

Material Covenants

None.

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

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
15 Oct 2020	Bills Discounting	Long Term	3.00	ACUITE B (Issuer not co-operating*)
	Bank Guarantee	Short Term	4.00	ACUITE A4 (Issuer not co-operating*)
	Cash Credit	Long Term	2.50	ACUITE B (Issuer not co-operating*)
26 Jul 2019	Bills Discounting	Long Term	3.00	ACUITE B (Issuer not co-operating*)
	Cash Credit	Long Term	2.50	ACUITE B (Issuer not co-operating*)
	Bank Guarantee	Short term	4.00	ACUITE A4 (Issuer not co-operating*)
17 May 2018	Cash Credit	Long Term	2.50	ACUITE B Stable (Assigned)
	Bills Discounting	Long Term	3.00	ACUITE B Stable (Assigned)
	Bank Guarantee	Short Term	4.00	ACUITE A4 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Initial Quantum (Rs. Cr.)	Quantum (Rs. Cr.)	Rating
Canara Bank	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	4.00	4.00	ACUITE A4 Reaffirmed Issuer not co-operating*
Canara Bank	Not Applicable	Bills Discounting	Not Applicable	Not Applicable	Not Applicable	3.00	3.00	ACUITE B Reaffirmed Issuer not co-operating*
Canara Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.50	2.50	ACUITE B Reaffirmed Issuer not co-operating*

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About Acuité Ratings & Research

Acuité Ratings & Research 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 8,850 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 Kanjurmarg, Mumbai.

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