

## HAQ Steels Private Limited

January 07, 2022

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	36.38	CARE BB; Stable; ISSUER NOT COOPERATING* (Double B; Outlook: Stable; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	6.00	CARE A4; ISSUER NOT COOPERATING* (A Four; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>42.38</b> <b>(Rs. Forty-Two Crore</b> <b>and Thirty-Eight Lakhs</b> <b>Only)</b>		

*Details of instruments/facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated December 17, 2020, placed the rating(s) of HAQ Steels Private Limited (HSPL) under the 'issuer non-cooperating' category as HSPL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. HSPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated November 02, 2021, November 12, 2021, November 22, 2021.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

### Detailed description of the key rating drivers

Please refer to PR dated [December 17, 2020](#)

**Analytical approach:** Standalone

### Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

### About the Company

Ahmedabad, Gujarat based Haq Steels Pvt. Ltd. (HSPL) was incorporated in February 2013 and is engaged in the manufacturing of thermo-mechanically treated (TMT) bars at its manufacturing facilities located near Viramgam in Gujarat. HSPL belongs to Ahmedabad based Iraki Group, established in 1971, which has interests in various businesses including hospitality, trading of pig iron scrap and manufacturing of steel ingots and TMT bars. As on March 31, 2018, HSPL had a total installed capacity to manufacture TMT bars of 450 metric tonnes per day (MTPD).

Brief Financials (Rs. crore)	31-03-2020(A)	31-03-2021(A)	9MFY22(Prov.,)
Total operating income	386.00	320.03	NA
PBILDT	9.75	20.36	NA
PAT	2.69	10.51	NA
Overall gearing (times)	1.74	1.35	NA
Interest coverage (times)	3.10	5.05	NA

*A: Audited; Prov: Provisional; NA: Not Available*

**Status of non-cooperation with previous CRA:** INDIA Ratings has continued the ratings assigned to the bank facilities of HSPL to the 'issuer not-cooperating' category vide press release dated August 12, 2021 on account its inability to carryout review in the absence of best available information from the company.

Acuite has moved the ratings assigned to the bank facilities of HSPL to the 'issuer not-cooperating' category vide press release dated March, 22, 2021 on account its inability to carryout review in the absence of best available information from the company.

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

**Covenants of rated instrument/facility:** Annexure-3

**Complexity level of various instruments rated for this company:** Annexure-4

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

**Annexure-1: Details of Instruments / Facilities**

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	December, 2022	10.38	CARE BB; Stable; ISSUER NOT COOPERATING*
Fund-based-Long Term		-	-	-	26.00	CARE BB; Stable; ISSUER NOT COOPERATING*
Non-fund-based-Short Term		-	-	-	6.00	CARE A4; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; Based on best available information

**Annexure-2: Rating History of last three years**

Sr. No	Name of the Instrument / Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Term Loan	LT	10.38	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (17-Dec-20)	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (05-Feb-20) 2)CARE BB+; Stable (09-Apr-19)	1)CARE BB+; Stable (04-Feb-19)
2	Fund-based-Long Term	LT	26.00	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (17-Dec-20)	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (05-Feb-20) 2)CARE BB+; Stable (09-Apr-19)	1)CARE BB+; Stable (04-Feb-19)
3	Non-fund-based-Short Term	ST	6.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (17-Dec-20)	1)CARE A4+; ISSUER NOT COOPERATING* (05-Feb-20) 2)CARE A4+ (09-Apr-19)	1)CARE A4+ (04-Feb-19)

\*Issuer did not cooperate; Based on best available information

**Annexure-3: Detailed explanation of covenants of the rated instrument / facilities:** Not Applicable**Annexure 4: Complexity level of various instruments rated for this company**

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based-Long Term	Simple
3	Non-fund-based-Short Term	Simple

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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### About CARE Ratings:

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careedge.in](http://www.careedge.in)**