

## Oyster Steel and Iron Private Limited

January 13, 2021

**Ratings**

Facilities/Instruments	Amount (Rs. crore)	Ratings <sup>1</sup>	Rating Action
Long Term Bank Facilities	100.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	20.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>120.00</b> <b>(Rs. One Hundred Twenty Crore Only)</b>		

*Details of instruments/facilities in Annexure-1*

**Detailed Rationale & Key Rating Drivers**

CARE had, vide its press release dated February 11, 2020, placed the rating(s) of Oyster Steel and Iron Private Limited (OSIPL) under the 'issuer non-cooperating' category as OSIPL had failed to provide information for monitoring of the rating. OSIPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter dated January 07, 2021. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE'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).***

The ratings have been reaffirmed on account of non-receipt of requisite information and hence CARE is not able to conduct appropriate analysis.

**Detailed description of the key rating drivers****Weaknesses:**

**Stretched liquidity position:** The overall gearing of the company deteriorated to -62.60x as on March 31, 2019 (PY: 26.67x). The company has elongated operating cycle of 5436 days during FY19 (PY: 127 days) marked by increase in debtors period to 8673 days as on March 31, 2019 (PY: 169 days) and increase in creditors days to 3369 days (PY: 51 days). There are delays in debt servicing by the company and the company was declared as an NPA as per the audit report of FY19.

**Low profitability margins:** The company reported loss of Rs. 7.65 cr as on March 31, 2019 (PY: Loss of Rs. 21.56 cr ) against operating revenue of Rs. 9.54 cr during FY19 (PY: Rs. 370.01 cr). The PBILDT margin of the company during FY19 stood at loss of 8.01% (PY: loss of 2.95%).

**Liquidity:** No latest information available

**Analytical approach:** Standalone

**Applicable Criteria**

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

[Criteria on assigning Outlook to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Criteria for Short Term Instruments](#)

[CARE's Rating Methodology-Wholesale Trading](#)

[Financial ratios – Non-Financial Sector](#)

[CARE's Liquidity Analysis of Non-financial sector entities](#)

**About the Company**

Incorporated in 2008 by Mr. Prem Chand Gupta, OSIPL is engaged in trading of aluminium and copper products in the form of ingots, wire rods etc. The company also has associate concerns i.e. Worldwide Metals Private Limited, Olympus Metal Private

<sup>1</sup> Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

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

Limited, Prominent Metal Private Limited, and Duke Sponge and Iron Private Limited engaged in similar industry i.e. trading of aluminium and copper components.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	370.01	9.54
PBILDT	-10.90	-0.76
PAT	-21.56	-7.65
Overall gearing (times)	26.67	NM
Interest coverage (times)	NM	NM

A: Audited

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

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

**Covenants of rated instrument / facility:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

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

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

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	100.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantees	-	-	-	20.00	CARE D; 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 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Cash Credit	LT	100.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (11-Feb-20)	1)CARE D; ISSUER NOT COOPERATING* (03-Sep-18)	1)CARE BB-; Stable (03-Oct-17) 2)CARE BB-; Stable (28-Apr-17)
2.	Non-fund-based - ST-Bank Guarantees	ST	20.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (11-Feb-20)	1)CARE D; ISSUER NOT COOPERATING* (03-Sep-18)	1)CARE A4 (03-Oct-17) 2)CARE A4 (28-Apr-17)

\*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 the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple
2.	Non-fund-based - ST-Bank Guarantees	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@careratings.com](mailto:care@careratings.com) for any clarifications.

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**About CARE Ratings:**

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

#### Disclaimer

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