

Hyderabad Steels

September 16, 2022

Ratings

| Facilities/Instruments | Amount (Rs. crore) | Rating ¹ | Rating Action |
|------------------------------|--|---|--|
| Long Term Bank Facilities | 4.00 | CARE C; Stable; ISSUER NOT COOPERATING* (Single C; Outlook: Stable; ISSUER NOT COOPERATING*) | Rating continues to remain under ISSUER NOT COOPERATING category |
| Short Term Bank Facilities | 3.50 | CARE A4; ISSUER NOT COOPERATING* (A Four; ISSUER NOT COOPERATING*) | Rating continues to remain under ISSUER NOT COOPERATING category |
| Total Bank Facilities | 7.50 (Rs. Seven Crore and Fifty Lakhs Only) | | |

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated August 11, 2021, placed the rating(s) of Hyderabad Steels (HS) under the 'issuer non-cooperating' category as HS 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. HS continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated June 27, 2022, July 07, 2022, July 17, 2022.

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 [August 11, 2021](#)

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 Firm

Hyderabad Steels (HS) was founded in 2008 as a proprietorship and was later reconstituted as a partnership firm during 2015. The firm is engaged in the trading of steel and iron products such as Mild Steel (MS) Ingots, Billets, MS Bars, MS Angles, MS Flats, Scrap, Sponge Iron etc. The partners of the firm Ms. J. Raghavi Reddy and Mr. M. Pavan Kumar are having 25 years of experience in iron and steel trading business. The firm has its warehouse facility at Nacharam, Hyderabad. HS clientele mostly consist of steel dealers in Hyderabad.

| Brief Financials (Rs. crore) | FY20 (A) | FY21(A) | FY22(Prov.) | Q1FY23(Prov.) |
|------------------------------|----------|---------|-------------|---------------|
| Total operating income | NA | NA | NA | NA |
| PBILDT | NA | NA | NA | NA |
| PAT | NA | NA | NA | NA |
| Overall gearing (times) | NA | NA | NA | NA |
| Interest coverage (times) | NA | NA | NA | NA |

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

Status of non-cooperation with previous CRA: ICRA has continued the ratings assigned to the bank facilities of HS to the 'issuer not-cooperating' category vide press release dated June 01, 2022 on account its inability to carryout review in the absence of best available information from the company.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

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 Firm: Annexure 4

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 |
|--------------------------------------|------|------------------|-------------|---------------|-------------------------------|---|
| Non-fund-based - ST-Letter of credit | | - | - | - | 3.50 | CARE A4; ISSUER NOT COOPERATING* |
| Fund-based - LT-Cash Credit | | - | - | - | 4.00 | CARE C; Stable; ISSUER NOT COOPERATING* |

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating history for the last three years

| Sr. No | Name of the Instrument/ Bank Facilities | Current Ratings | | | Rating History | | | |
|--------|---|-----------------|--------------------------------|---|---|---|---|---|
| | | Type | Amount Outstanding (Rs. crore) | Rating | Date(s) and Rating(s) assigned in 2022-2023 | Date(s) and Rating(s) assigned in 2021-2022 | Date(s) and Rating(s) assigned in 2020-2021 | Date(s) and Rating(s) assigned in 2019-2020 |
| 1 | Non-fund-based - ST-Letter of credit | ST | 3.50 | CARE A4; ISSUER NOT COOPERATING* | - | 1)CARE A4; ISSUER NOT COOPERATING* (11-Aug-21) | 1)CARE A4; ISSUER NOT COOPERATING* (29-Jul-20) | 1)CARE A4; ISSUER NOT COOPERATING* (05-Jun-19) |
| 2 | Fund-based - LT-Cash Credit | LT | 4.00 | CARE C; Stable; ISSUER NOT COOPERATING* | - | 1)CARE C; Stable; ISSUER NOT COOPERATING* (11-Aug-21) | 1)CARE C; Stable; ISSUER NOT COOPERATING* (29-Jul-20) | 1)CARE C; Stable; ISSUER NOT COOPERATING* (05-Jun-19) |

*Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: Not Applicable

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

| Sr. No. | Name of Instrument | Complexity Level |
|---------|--------------------------------------|------------------|
| 1 | Fund-based - LT-Cash Credit | Simple |
| 2 | Non-fund-based - ST-Letter of credit | Simple |

Annexure-5: Bank lender details for this Firm

To view the lender wise details of bank facilities please [click here](#)

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 Limited:

Established in 1993, CARE Ratings Ltd. is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

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.

Disclaimer

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