

Primuss Pipes & Tubes Limited

May 25, 2023

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term / Short Term Bank Facilities	15.00	CARE D / CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated May 24, 2022, had reaffirmed the ratings of Primuss Pipes & Tubes Limited. (PPTL) under the 'issuer not-cooperating' category as PPTL had failed to provide information for monitoring of the rating. PPTL continues to be non-cooperative despite repeated requests for submission of information through phone calls and emails dated April 26, 2023, April 27, 2023, May 01, 2023 and May 02, 2023. 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 ratings.

Analytical approach: Standalone

Detailed description of the key rating drivers:

At the time of last rating on May 24, 2022, the following were the rating weakness.

Key weaknesses

Poor liquidity position

As per the Q3FY20 published results on February 21, 2020, two applications are filed against the company before the Honourable National Company Law Tribunal, Allahabad bench. One under section 9 of the Insolvency and Bankruptcy Code 2016 by an operational creditor and the other under section 7 by the Financial Creditor (the bank), both the matters are pending before the Honourable Tribunal.

The plant of the company closed since May 2019 for major maintenance and up gradation and could not be resumed on account of severe working capital shortage. The closing stocks of raw material and finished goods have also been written down to estimated realizable value and difference is charged as consumption/changes in inventory for the quarter resulting into substantial operational losses and hence, the production and sales during this quarter is lower in comparison to the same quarter in the previous financial year. The manufacturing facilities will take some more time to be operational. Also, there are sizable differences in cash in hand and the turnover reported as per GSTR (1) and GSTR (3b) which are under reconciliation. On account of severe working capital shortage, statutory liabilities of substantial amounts towards GST, TDS, EPF and ESI are also outstanding beyond due dates. Owing to dead lock in the operations, substantial amounts have been stuck in receivables and loans and advances. The company is making efforts for the recovery and provision for the Bad Debts shall be made at the end of the FY 2019-20. Interest on Unsecured Loans also shall be provided at the end of FY 2019-20.

Applicable criteria

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

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

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

[Rating Outlook and Credit Watch](#)

[Manufacturing Companies](#)

[Policy on Withdrawal of Ratings](#)

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

About the company and industry

Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Industrials	Capital Goods	Industrial Products	Iron & Steel Products

Kanpur (Uttar Pradesh) based, Premier Pipes Limited (PPL) was incorporated in 1975 as Quality Steel Tubes Private Limited (QST Ltd.). However, subsequently, in 2009, QST Ltd was acquired by Premier Group. With the acquisition and refurbishment of all plant and machineries, the company re-commenced its commercial operations from 2011. In 2010, the company has changed its name from QST Ltd. to PPL. Subsequently in FY19, it has changed its name from PPL to PPTL. PPTL is engaged in manufacturing of steel tubes, pipes and tubular poles, scaffolding, solar module mounting in mild steel as well as galvanized variants and greenhouse structure. The manufacturing facility of the company is situated in an area of more than 15 acres at Bindki Road at Fatehpur, Uttar Pradesh.

Brief Financials (₹ crore)*	March 31, 2018 (A)	March 31, 2019 (A)
Total operating income	140.57	143.04
PBILDT	4.02	4.51
PAT	1.02	0.98
Overall gearing (times)	1.92	1.98
Interest coverage (times)	1.93	1.85

A: Audited UA: Unaudited; *Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA:

Brickworks' has put rating assigned to the bank facilities of PPTL in to 'Non-Cooperation' vide press release dated May 30, 2022 on account of non-cooperation by PPTL with Brickworks' efforts to undertake a review of the rating outstanding.

CRISIL has put rating assigned to the bank facilities of PPTL in to 'Non-Cooperation' vide press release dated July 30, 2022 on account of non-cooperation by PPTL with CRISIL's efforts to undertake a review of the rating outstanding.

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: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT/ ST-Cash Credit		-	-	-	15.00	CARE D / CARE D; 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 (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	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
1	Fund-based - LT/ST-Cash Credit	LT/ST*	15.00	CARE D / CARE D; ISSUER NOT COOPERATING*	-	1)CARE D / CARE D; ISSUER NOT COOPERATING* (24-May-22)	1)CARE D / CARE D; ISSUER NOT COOPERATING* (13-May-21)	-

*Issuer did not cooperate; based on best available information.

*Long term/Short term.

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

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT/ ST-Cash Credit	Simple

Annexure-5: Lender details

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

Note on the complexity levels of the rated instruments: CARE Ratings 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.

Contact us

<p>Media Contact</p> <p>Name: Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Name: Deepak Purshottambhai Prajapati Senior Director CARE Ratings Limited Phone: +91-79-4026 5656 E-mail: deepak.prajapati@careedge.in</p>	<p>Analytical Contacts</p> <p>Name: Kalpesh Patel Director CARE Ratings Limited Phone: +91-79-4026 5656 E-mail: kalpesh.Patel@careedge.in</p> <p>Name: Sajni Shah Lead Analyst CARE Ratings Limited Phone: +91-79-4026 5636 E-mail: sajni.Shah@careedge.in</p> <p>Name: Jalpa Rughani Analyst CARE Ratings Limited Phone: +91-79-4026 5653 E-mail: jalpa.rughani@careedge.in</p>
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About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

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