

## Nagarjuna Steel

April 17, 2024

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	5.00	CARE B-; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B; Stable;

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 February 17, 2023, placed the rating(s) of Nagarjuna Steel (NS) under the 'issuer non-cooperating' category as NS 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. NS continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated January 03, 2024, January 13, 2024, January 23, 2024.

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).**

The ratings assigned to the bank facilities of NS have been revised on account of non-availability of requisite information.

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of the key rating drivers

Please refer to PR dated [February 17, 2023](#)

### Applicable criteria

[CARE Rating's criteria on information adequacy risk and issuer non-cooperation](#)

[Policy on Default Recognition](#)

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

### About the Firm

Hyderabad-based, Nagarjuna Steel (NS) was established in 2016, by Mr. P. Mahendar Reddy (Managing Partner) and Mr. P. Ravi Shankar Reddy. The firm initiated its business operations in July 2016 and is currently engaged in the trading of construction materials (TMT Steel bar and Cement). The firm is a Wholesale Dealer of Rashtriya Ispat Nigam Limited (Vizag Steel), Kamdhenu Ispat Limited, Jai Raj Ispat Limited, Kamini metalliks Private Limited and others in Telangana and Andhra Pradesh regions. The firm derives 70% of the revenue from the sale of TMT Steel bar and the balance 30% from the sale of cement.

Brief Financials (Rs. crore)	March 31, 2020 (A)	March 31, 2021 (A)
Total operating income	69.93	75.15
PBILDT	0.98	0.84
PAT	0.17	0.18
Overall gearing (times)	2.27	1.83
Interest coverage (times)	1.50	1.69

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

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

**Any other information:** Not Applicable

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

<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

**Covenants of the rated instruments/facilities:** Detailed explanation of the 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-Cash Credit		-	-	-	5.00	CARE B-; 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 (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	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
1	Fund-based - LT-Cash Credit	LT	5.00	CARE B-; Stable; ISSUER NOT COOPERATING*	-	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (17-Feb-23)	1)CARE B+; Stable (02-Mar-22)

\*Issuer did not cooperate; based on best available information; LT: Long 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-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](mailto:care@careedge.in) for any clarifications.

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### About us:

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### Disclaimer:

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