

Primuss Pipes & Tubes Limited (Revised)

May 24, 2022

Rating

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term / Short Term Bank Facilities	15.00	CARE D / CARE D; ISSUER NOT COOPERATING* (Single D / Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	15.00 (Rs. Fifteen Crore Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated May 13, 2021, had reaffirmed the ratings of Primuss Pipes & Tubes Limited (PPTL) under the 'issuer non-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 e-mails dated May 02, 2022, May 04, 2022, May 05, 2022, May 09, 2022 and phone calls. 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

At the time of last rating on May 13, 2021, the following were the rating weakness.

Key Rating Weakness

Poor liquidity position

As per the Q3FY20 published results on February 21, 2020, two applications are filed against the company before the Honorable 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 Honorable 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.

Analytical approach: Standalone

Applicable Criteria

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

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

[Financial Ratios – Non financial Sector](#)

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

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Rating Methodologies: Manufacturing Companies](#)

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

About the Company

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 (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	31-03-2022 (A)
Total operating income	NA	NA	NA
PBILDT	NA	NA	NA
PAT	NA	NA	NA
Overall gearing (times)	NA	NA	NA
Interest coverage (times)	NA	NA	NA

A: Audited; NA: Not 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 28, 2021 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 May 31, 2021 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

Complexity level of various instruments rated for this company: Annexure 3

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/ ST-Cash Credit		-	-	-	15.00	CARE D / CARE D; ISSUER NOT COOPERATING*

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 2022-2023	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020
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* (13-May-21)	-	1)CARE D / CARE D; ISSUER NOT COOPERATING* (24-Feb-20) 2)CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING* (22-Aug-19)

* Long Term / Short Term

Annexure 3: 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/ ST-Cash Credit	Simple

Annexure 5: Bank Lender Details for this Company

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

Note on complexity levels of the rated instrument: CARE Ratings Ltd. 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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