

## Prakash Steelage Limited

October 26, 2022

### Ratings

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	150.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	70.00	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>220.00</b> <b>(₹ Two Hundred Twenty Crore Only)</b>		

*Details of facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated November 13, 2017, placed the ratings of Prakash Steelage Limited (PSL) under the 'issuer non-cooperating' category as PSL had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. PSL continues to be non-cooperative despite repeated requests for submission of information through e-mails dated September 13, 2022; September 23, 2022 and October 03, 2022 and phone calls. 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).***

### Detailed description of the key rating drivers

At the time of last rating on October 28, 2021 the following were the rating weakness (updated for the information available from stock exchange):

### Key Rating Weaknesses

#### Delay in servicing of debt obligations

There have been delays in servicing of its debt obligation. As per audit report for year ended March 31, 2022, the company has been sanctioned one-time settlement by the lenders. The company has made the full and final payment towards the one-time settlement to all the lenders during the year ended March 31, 2022 and received No-due certificate from the lenders. However, on account of non-receipt of no-due certificate by CARE Ratings Limited, the said ratings, could not be withdrawn.

**Analytical approach:** Standalone

### Applicable Criteria

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

[Policy on default recognition](#)

### About the Company

PSL, incorporated on May 9, 1991, was converted into a public limited company on August 12, 1997 and was listed in August 2010. PSL started its business with trading in the stainless steel (SS) sheets, coils, plates and scrap. The company now is engaged in the manufacturing of stainless steel (seamless and welded) pipes and tubes and trades into stainless steel sheets and coils. The company products are used in heat exchanger, evaporators, heating elements, fluid piping, pumps, valves, condensers and in many other instrumentation equipments. The company exports its products to several countries, such as USA, UAE, South Africa, European countries, Canada, Singapore, Saudi Arabia, Turkey, Vietnam, etc.

<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

Brief Financials (₹ crore)	31-03-2021 (A)	31-03-2022(A)	Q1FY23(UA)
Total operating income	25.36	85.74	16.72
PBILDT	-1.37	43.15	0.64
PAT	50.72	163.50	1.89
Overall gearing (times)	NM	NM	-
Interest coverage (times)	NM	13.64	32

A: Audited, UA: Unaudited, NM: Not Meaningfull

**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 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	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-Long Term		-	-	-	150.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC		-	-	-	70.00	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 (₹ 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	Fund-based-Long Term	LT	150.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (28-Oct-21)	1)CARE D; ISSUER NOT COOPERATING* (03-Aug-20)	1)CARE D; ISSUER NOT COOPERATING* (30-Apr-19)
2	Non-fund-based - ST-BG/LC	ST	70.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (28-Oct-21)	1)CARE D; ISSUER NOT COOPERATING* (03-Aug-20)	1)CARE D; ISSUER NOT COOPERATING* (30-Apr-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 company

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based-Long Term	Simple
2	Non-fund-based - ST-BG/LC	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 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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