

Prakash Steelage Limited

October 28, 2021

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	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
Total Bank Facilities	220.00 (Rs. Two Hundred Twenty Crore Only)		

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, phone calls and a letter dated September 01, 2021; September 06, 2021 and September 13, 2021 and October 19, 2021. 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 August 03, 2020 the following were the rating weakness (updated for the information available from stock exchange):

Key Rating Weakness

Delay in servicing of debt obligations

There have been delays in servicing of its debt obligation as per audit qualification statement of FY21.

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.

Brief Financials (Rs. crore)	FY20 (A)	FY21 (A)
Total operating income	32.98	25.36
PBILDT	4.14	-1.37
PAT	-0.22	50.72
Overall gearing (times)	NM	NM
Interest coverage (times)	NM	NM

A: Audited

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

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 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-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 (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based-Long Term	LT	150.00	CARE D; ISSUER NOT COOPERATING*	-	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* (03-Aug-20)	1)CARE D; ISSUER NOT COOPERATING* (30-Apr-19)	-

* Long Term / Short Term

Annexure-3: Detailed explanation of covenants of the rated facilities - NA

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

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@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

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