

Narayani Steels Limited

January 30, 2023

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	97.50	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	125.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities are in Annexure-1.

Detailed Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated January 11, 2022, placed the rating(s) of Narayani Steels Limited under the 'issuer non-cooperating' category as Narayani Steels Limited had failed to provide information for monitoring of the rating. Narayani Steels Limited continues to be non-cooperative despite repeated requests for the submission of information through emails, phone calls and emails dated between January 13, 2023, to January 20, 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 rating(s).

At the time of the last rating on January 11, 2022, the following were the rating strengths and weaknesses (updated for the information available from BSE)

Key rating weakness

Continuing overdues with respect to debt servicing

The lenders have confirmed continued overdraws and the account has turned NPA owing to liquidity issues.

Analytical approach: Standalone

Outlook: Not Applicable

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](#)

[Policy On Curing Period](#)

[Short Term Instruments](#)

[Wholesale Trading](#)

About the company

Narayani Steels Limited (NSL), which belongs to Narayani Group, is incorporated in the year 1996 by Mr. Kishanlal Choudhary, who is the chairman of the company and is ably supported by his son Mr. Sunil Choudhary, who is the managing director and chief executive officer with an overall experience of 20 years. During FY17, Narayani Steels Limited got listed through the SME platform of the Bombay stock exchange in FY17. NSL is part of the Narayani group; the group comprises five companies namely

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

Narayani Steels Limited (NSL), Narayani Ispat Limited (NIL), Hari Equipment Private Limited (HEPL), Kedarnath Commotrade Private Limited (KCPL) and Agrimony Tradex Vyaappar Private Limited (ATVPL).

The Narayani group is engaged in the trading of blooms, billets, TMT bars, pellets, and wire coils and the manufacturing of TMT bars and other long products such as rounds, flats, angles, channels, etc. Further, the group has a wide network for the sales and distribution of the products across Andhra Pradesh, Telangana and other states in India.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	H1FY23 (UA)
Total operating income	77.93	11.62	19.73
PBILDT	-56.73	0.81	3.91
PAT	-51.97	66.78	2.51
Overall gearing (times)	-4.95	0.05	NA
Interest coverage (times)	-2.11	35.49	NA

A: Audited; NA: Not Available; UA: Unaudited

Status of non-cooperation with previous CRA: Brickworks Ratings has placed the rating for the bank facilities of NSL under 'BWR D; Issuer Not Cooperating' vide PR dated January 09, 2023, due to the absence of requisite information from the company.

Any other information: Not Applicable

Rating history for the last three years: Please refer to Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of the various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	60.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Working Capital Limits		-	-	-	37.50	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	25.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit		-	-	-	100.00	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 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 - LT-Cash Credit	LT	60.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (11-Jan-22)	1)CARE D; ISSUER NOT COOPERATING* (13-Jan-21)	1)CARE D; ISSUER NOT COOPERATING* (15-Nov-19) 2)CARE C; Stable; ISSUER NOT COOPERATING* (17-Sep-19)
2	Non-fund-based - ST-Bank Guarantee	ST	25.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (11-Jan-22)	1)CARE D; ISSUER NOT COOPERATING* (13-Jan-21)	1)CARE D; ISSUER NOT COOPERATING* (15-Nov-19) 2)CARE A4; ISSUER NOT COOPERATING* (17-Sep-19)
3	Non-fund-based - ST-Letter of credit	ST	100.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (11-Jan-22)	1)CARE D; ISSUER NOT COOPERATING* (13-Jan-21)	1)CARE D; ISSUER NOT COOPERATING* (15-Nov-19) 2)CARE A4; ISSUER NOT COOPERATING* (17-Sep-19)
4	Fund-based - LT-Working Capital Limits	LT	37.50	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (11-Jan-22)	1)CARE D; ISSUER NOT COOPERATING* (13-Jan-21)	1)CARE D; ISSUER NOT COOPERATING* (15-Nov-19) 2)CARE C; Stable; ISSUER NOT

								COOPERATIN G* (17-Sep-19)
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*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 the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Working Capital Limits	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple
4	Non-fund-based - ST-Letter of 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.

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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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