

Oyster Steel and Iron Private Limited

February 11, 2020

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long term Bank Facilities	100.00	CARE D; ISSUER NOT COOPERATING* (D; ISSUER NOT COOPERATING*)	Issuer not cooperating; Based on best available information
Short term Bank Facilities	20.00	CARE D; ISSUER NOT COOPERATING* (D; ISSUER NOT COOPERATING*)	Issuer not cooperating; Based on best available information
Total	120.00 (Rupees one hundred and twenty crore only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated September 3, 2018, placed the ratings of Oyster Steel and Iron Private Limited under the 'issuer non-cooperating' category as Oyster Steel and Iron Private Limited had failed to provide information required for monitoring of the ratings. Oyster Steel and Iron Private Limited continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter dated January 31, 2020 and February 3, 2020. 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

The ratings assigned to the bank facilities of OSIPL continues to take into account ongoing delays in debt servicing by the company.

Analytical approach: Standalone

Applicable Criteria

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

[Criteria on assigning Outlook to Credit Ratings](#)

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

[Criteria for Short Term Instruments](#)

[Rating Methodology-Wholesale Trading](#)

[Financial ratios – Non-Financial Sector](#)

About the Company

Incorporated in 2008 by Mr. Prem Chand Gupta, OSIPL is engaged in trading of aluminium and copper products in the form of ingots, wire rods etc. The company also has associate concerns i.e. Worldwide Metals Private Limited, Olympus Metal Private Limited, Prominent Metal Private Limited, and Duke Sponge and Iron Private Limited engaged in similar industry i.e. trading of aluminium and copper components.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	370.01	9.54
PBILD	-10.90	-0.76
PAT	-21.56	-7.65
Overall gearing (times)	26.67	NM
Interest coverage (times)	NM	NM

A: Audited NM- Not meaningful

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

*Issuer did not cooperate; Based on best available information

Status of non-cooperation with previous CRA: NA

Any other information: NA

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

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	100.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - ST-Bank Guarantees	-	-	-	20.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

*Issuer did not cooperate; Based on best available information

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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Cash Credit	LT	100.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (03-Sep-18)	1)CARE BB-; Stable (03-Oct-17) 2)CARE BB-; Stable (28-Apr-17)	1)CARE BB- (08-Sep-16)
2.	Non-fund-based - ST-Bank Guarantees	ST	20.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (03-Sep-18)	1)CARE A4 (03-Oct-17) 2)CARE A4 (28-Apr-17)	1)CARE A4 (08-Sep-16)

*Issuer did not cooperate; Based on best available information

Annexure-3: NA

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. 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

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.