

**Prakash Steelage Limited (Revised)**

August 03, 2020

## Ratings

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	150.00	<b>CARE D ; Issuer not cooperating* [Single D, Issuer not cooperating*]</b>	Issuer not cooperating; Based on best available information
Short-term bank facilities	70.00	<b>CARE D; Issuer not cooperating* [Single D, Issuer not cooperating]</b>	Issuer not cooperating; Based on best available information
<b>Total facilities</b>	<b>220.00 (Rs. Two hundred and twenty crore only)</b>		

*Details of facilities in Annexure-1*

**Detailed Rationale & Key Rating Drivers**

CARE has been seeking information from **Prakash Steelage Limited (PSL)** to monitor the rating(s) vide e-mail communications dated 14<sup>th</sup> July 2020, 15<sup>th</sup> July 2020, 17<sup>th</sup> July 2020, 20<sup>th</sup> July 2020, 28<sup>th</sup> July 2020, 29<sup>th</sup> July 2020 and numerous phone calls. However, despite repeated requests, the company has not provided the requisite information for monitoring the ratings. 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. The rating of **Prakash Steelage Limited** bank facilities is denoted as **CARE D /CARE D; ISSUER NOT COOPERATING\***.

*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 rating of the bank facilities of Prakash Steelage Limited is on account of ongoing delay in servicing of its debt obligation as per audit qualification statement of FY20.

**Key Rating Weaknesses**
***Delay in servicing of debt obligations***

There have been delays in servicing of its debt obligation.

**Analytical approach:** Standalone

**Liquidity:** No available information

**Applicable Criteria**

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

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

[Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings](#)

[Rating Methodology - Manufacturing Companies](#)

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

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

\*Issuer did not cooperate; Based on best available information

### 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 equipment.

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

### 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-Long Term	-	-	-	150.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - ST-BG/LC	-	-	-	70.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; 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 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based-Long Term	LT	150.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (30-Apr-19)	-	1)CARE D; ISSUER NOT COOPERATING* (13-Nov-17)
2.	Non-fund-based - ST-BG/LC	ST	70.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (30-Apr-19)	-	1)CARE D; ISSUER NOT COOPERATING* (13-Nov-17)

### Annexure-3: Complexity level of various instruments rated for this Company

Sr. No.	Name of the 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. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto: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.

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