

September 30, 2021

Hindustan Steel Corporation: Moved to Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund based limit	16.0	16.0	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating moved to the 'Issuer Not Cooperating' category
Bank Guarantee	(5.0)	(5.0)	[ICRA]A4; ISSUER NOT COOPERATING*; Rating moved to the 'Issuer Not Cooperating' category
Unallocated facility	1.5	1.5	[ICRA]B+ (Stable)/[ICRA]A4; ISSUER NOT COOPERATING*; Rating moved to the 'Issuer Not Cooperating' category
Total	17.5	17.5	

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

The rating downgrade is because of lack of adequate information regarding Hindustan Steel Corporation's (HSC) performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with HSC, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Rating methodology for trading companies Policy in respect of non-cooperation by a rated entity
Parent/Group Support	NA
Consolidation/Standalone	<u>Standalone</u>

About the company

Hindustan Steel Corporation was incorporated as a proprietorship concern in 2014. The firm is involved in the trading of steel products, primarily TMT bars in the Coimbatore region. Other steel products such as steel sheets, etc, are sold on an albeit scale. The firm is one of the authorised retailers of Vizag Steel for Coimbatore.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding July 2020 (Rs. crore)	Date & Rating in Sep 30, 2021	Date & Rating in FY2021	Date & Rating in FY2020	Date & Rating in FY2019
1	Fund based	Long-term	16.0	-	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*;	[ICRA]B+ (Stable)	-	-
2	Bank Guarantee	Short term	(5.0)	-	[ICRA]A4; ISSUER NOT COOPERATING*;	[ICRA]A4	-	-
3	Unallocated amount	Long-term/short term	1.5	-	[ICRA]B+ (Stable)/[ICRA]A4 ISSUER NOT COOPERATING*;	[ICRA]B+ (Stable)/[ICRA]A4	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Fund based	Simple
Bank Guarantee	Simple
Unallocated amount	NA

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Fund based	-	NA	-	16.0	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
NA	Bank Guarantee	-	NA	-	(5.0)	[ICRA]A4; ISSUER NOT COOPERATING
NA	Unallocated amount	-	NA	-	1.5	[ICRA]B+ (Stable)/[ICRA]A4 ISSUER NOT COOPERATING

Source: Company

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

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