

July 30, 2024

Popuri Steels Limited: Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	10.00	10.00	[ICRA]B-(Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Total	10.00	10.00	

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

[^]Instrument details are provided in Annexure-I

Rationale

ICRA has kept the Long-Term rating of Popuri Steels Limited in the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]B-(Stable) ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with Popuri Steels Limited, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple 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, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [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	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology Iron & Steel
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

Popuri Steels Limited (PSL) was incorporated in the year 2004 with the establishment of a 1 x 50 TPD DRI (Direct reduced Iron or Sponge Iron) at Mundargi Industrial area, Bangalore Road, Bellary. The plant was shut down in 2009 and the company started another 2 x 50 TPD DRI plant in Halakundi village, Bellary in 2009 onwards. The company is involved in the manufacturing of sponge iron using rotary klin process. Mr. Popuri Akineedu is the current Managing Director of the company.

Key financial indicators:

Standalone	FY 2022	FY 2023
Operating Income (Rs. crore)	101.0	112.8
PAT (Rs. crore)	1.2	0.2
OPBDITA/OI (%)	2.2%	1.1%
PAT/OI (%)	1.2%	0.2%
Total Outside Liabilities/Tangible Net Worth (times)	0.7	0.6
Total Debt/OPBDITA (times)	1.8	2.3
Interest Coverage (times)	25.5	55.8

PAT: Profit after Tax; OPBDITA: Operating Profit before Depreciation, Interest, Taxes and Amortization

Source: MCA

Status of non-cooperation with previous CRA: NA

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2025)			Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. Crore)	Date & Rating in	Date & Rating in FY2024	Date & Rating in FY2022	Date & Rating in FY2021
				30-July-2024	31-May-2023	23-Mar-2022	24-Feb-2021
1	Cash Credit	Long Term	10.00	[ICRA]B-(Stable); ISSUER NOT COOPERATING	[ICRA]B-(Stable); ISSUER NOT COOPERATING	[ICRA]B-(Stable); ISSUER NOT COOPERATING	[ICRA]B-(Stable); ISSUER NOT COOPERATING

Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple

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-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	10.00	[ICRA]B-(Stable); ISSUER NOT COOPERATING

Source Popuri Steels Limited

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

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About ICRA Limited:

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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