



Press Release
Prabhu Steels
August 07, 2024

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	84.00	ACUITE BB Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	84.00	-	-

Rating Rationale

Acuite has downgraded its long term rating to '**ACUITE BB**' (read as **ACUITE double B**) from '**ACUITE BB+**' (read as **ACUITE double B Plus**) on the Rs. 84.00 Cr. bank facilities of Prabhu Steels on account of information risk. The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

About the Company

Kerala based, Prabhu Steels was established as a partnership firm in 1996. The entity is the sole authorized distributor of TATA Steels Limited products in Kerala. The products are mainly TMT Bars, Tubes, Sheets, Doors, and Windows. The partners of the firm are Mr. Manoj Prabhu and Mrs. Rajasree Prabhu.

About the Group

Kerala based, Prabhu Group comprises of Prabhu Steels (PS), Vitson Steel Corp Private Limited, Veeyem Distributors Private Limited, and Promoten. Prabhu Group is promoted by Prabhu Family since 1996. The group is the authorized distributor of steel products for TATA Steel Limited and JSW Steel Limited and Jindal Steel and Power Limited (JSPL) in multiple regions across Kerala. Kerala based, Prabhu Steels (PS) was established as a partnership firm in 1996. The entity is the sole authorized distributor of TATA Steels Limited products in Kerala. The products are mainly TMT Bars, Tubes, Sheets, Doors, and Windows. The partners of the firm are Mr. Manoj Prabhu and Mrs. Rajasree Prabhu. Kerala based, Vitson Steel Corp Private Limited was incorporated in 2012 as a private limited company. The entity is the authorized distributor of the JSW Steels Limited products such as JSW Neo Steel TMT Bars in Central & South Kerala. The directors of the company are Mr. Ramesh Prabhu and Mrs. Rajasree Prabhu. Kerala based, Veeyem Distributors Private Limited (VDPL) was incorporated in 2016 as a private limited company. The entity is the authorized distributor of JSW Steels Limited products such as JSW Neo Steel TMT Bars in North Kerala. The directors of the company are Mr. Manoj

Prabhu, Mr. Ramesh Prabhu, and Mrs. Rajasree Prabhu. Kerala based Promoten was established in 2017 as a partnership firm and started its operations in 2019. The firm is an authorized distributor of Jindal Steel and Power Limited (JSPL) - TMT bars products in Kerala. The partners of the firm are Mr. Manoj Prabhu and Mrs. Rajasree Prabhu.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower:

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date. Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité has endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook

Not Applicable

Other Factors affecting Rating

None

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Complexity Level Of Financial Instruments: <https://www.acuite.in/view-rating-criteria-55.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such

instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria “Complexity Level Of Financial Instruments” on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
10 May 2023	Cash Credit	Long Term	15.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Secured Overdraft	Long Term	10.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Cash Credit	Long Term	30.50	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Channel/Dealer/Vendor Financing	Long Term	15.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Bills Discounting	Long Term	6.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Inventory Funding	Long Term	7.50	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
15 Feb 2022	Inventory Funding	Long Term	7.50	ACUITE BBB- Stable (Reaffirmed)
	Bills Discounting	Long Term	6.00	ACUITE BBB- Stable (Reaffirmed)
	Channel/Dealer/Vendor Financing	Long Term	15.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	30.50	ACUITE BBB- Stable (Reaffirmed)
	Secured Overdraft	Long Term	10.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	2.50	ACUITE BBB- (Reaffirmed & Withdrawn)
10 Feb 2021	Cash Credit	Long Term	30.50	ACUITE BBB- Stable (Reaffirmed)
	Channel/Dealer/Vendor Financing	Long Term	15.00	ACUITE BBB- Stable (Reaffirmed)
	Channel/Dealer/Vendor Financing	Long Term	15.00	ACUITE BBB- Stable (Reaffirmed)
	Channel/Dealer/Vendor Financing	Long Term	6.00	ACUITE BBB- Stable (Reaffirmed)
	Channel/Dealer/Vendor Financing	Long Term	7.50	ACUITE BBB- Stable (Reaffirmed)
	Inventory Funding	Long Term	7.50	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	2.50	ACUITE BBB- Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
DBS Bank Ltd	Not avl. / Not appl.	Bills Discounting	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	6.00	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	15.00	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)
CITI Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	30.50	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)
Standard Chartered Bank	Not avl. / Not appl.	Channel/Dealer/Vendor Financing	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	15.00	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)
Axis Bank	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	7.50	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)
ICICI Bank Ltd	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.00	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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