



Press Release

Hyquip Systems Limited

September 20, 2022

Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	11.25	IVR B+ ISSUER NOT COOPERATING* (IVR B plus Issuer Not Cooperating)	Revised and moved to the 'Issuer Not Cooperating' category	Simple
Short Term Bank Facility	10.20	IVR A4 ISSUER NOT COOPERATING* (IVR A four Issuer Not Cooperating)	Moved to the 'Issuer Not Cooperating' category	Simple
Total	21.45 (INR twenty-one crore and forty five lakh only)			

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

Details of Facilities are in Annexure 1

Detailed Rationale

The ratings revision is because of lack of adequate information regarding Hyquip Systems Limited performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy.

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 company.



Press Release

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide E-mail communications dated July 21, 2022, August 01, 2022, August 04, 2022, September 02, 2022, September 07, 2022, September 12, 2022, and September 14, 2022, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted surveillance fees and all the essential details required for detailed review of the assigned ratings.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long- term rating for the bank loan aggregating to Rs. 11.25 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR B+; Issuer Not Co-operating; Based on best available information (IVR B plus; Issuer Not Co-operating; Based on best available information) and short-term rating for the bank facilities aggregating to 10.20 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR A4; Issuer Not Cooperating (IVR A Four; Issuer Not Co-operating; Based on best available information) of Hyquip Systems Limited.

Analytical Approach & Applicable Criteria: Standalone

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Rating Methodology for manufacturing companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

About the company

Hyquip System Limited (HSL) was incorporated in 1987, and it is the flagship company of the Hyderabad-based Hyquip group. HSL is primarily engaged in the designing and manufacturing of material handling system and also has interests in flow control equipment and industrial automation. Mr K B K Reddy, the founder promoter of the Hyquip group has well over three decades of experience in the material handling equipment industry.



Press Release

Financials (Standalone)

(Rs. Crore)

For the year ended* / As On	31-03-2020	31-03-2021	31-03-2022
	Audited	Audited	Provisional
Total Operating Income	17.07	30.35	47.85
EBITDA	2.34	2.35	2.06
PAT	-0.05	0.32	1.03
Total Debt	14.39	22.09	16.86
Tangible Net worth	10.83	11.14	12.18
EBITDA Margin (%)	13.68	7.74	4.31
PAT Margin (%)	-0.27	1.04	2.10
Overall Gearing Ratio (x)	1.33	1.98	1.38

* As per Infomerics Standard

Status of non-cooperation with previous CRA: Care continues to maintain the rating of Hyquip Systems Limited in the Issuer Non-Cooperating category as the company did not cooperate in the rating procedure despite repeated follow ups as per the Press Release dated November 18, 2021.

Any other information: Nil



Press Release

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22 June 24, 2021	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
1.	Term Loan	Long Term	2.59	IVR B+ ISSUER NOT COOPERATING*	IVR BB-/ Stable	-	-
2.	Cash Credit	Long Term	8.66	IVR B+ ISSUER NOT COOPERATING*	IVR BB-/ Stable	-	-
3.	Bank Guarantee	Short Term	10.20	IVR A4 ISSUER NOT COOPERATING*	IVR A4	-	-

* Issuer did not cooperate; based on best available information

Name and Contact Details of the Rating Analyst:

Name: Mr. Rajendra Kumar Behera Tel: (033) 4803 3621 Email: rajendra.behera@infomerics.com	Name: Mr. Sandeep Khaitan Tel: (033) 4803 3621 Email: sandeep.khaitan@infomerics.com
--	--

About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.



Press Release

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit www.infomerics.com

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are 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 us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	February 2024	2.59	IVR B+ ISSUER NOT COOPERATING*
Cash Credit	-	-	-	8.66	IVR B+ ISSUER NOT COOPERATING*
Bank Guarantee	-	-	-	10.20	IVR A4 ISSUER NOT COOPERATING*

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



Press Release

Annexure 2: Facility wise lender details: Not Applicable

Annexure 3: List of companies considered for consolidated analysis: Not Applicable

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com

