



Press Release

Hyquip Systems Limited

November 18, 2022

Ratings

Instrument/ Facility	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	5.88	IVR D (IVR D)	Reaffirmed and withdrawn	Simple
Short Term Bank Facility	15.62 (includes proposed bank guarantee of Rs. 5.42 crore)	IVR D (IVR D)	Reaffirmed and withdrawn	Simple
Total	21.50 (INR twenty-one crore and fifty lakh only)			

Details of Facilities are in Annexure 1

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

Infomerics has reaffirmed and withdrawn the outstanding ratings of IVR D (IVR D) assigned to the bank facilities of **Hyquip Systems Limited** with immediate effect. The above action has been taken at the request of **Hyquip Systems Limited** and 'No Objection Certificate' received from the **Punjab National Bank** that have extended the facilities rated by Infomerics. ([Key Rating Drivers and Detailed description are as per the last Press Release dated November 07, 2022](#))

Analytical Approach: Standalone

Applicable Criteria

[Rating Methodology for Manufacturing Companies](#)

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

[Default Recognition Policy](#)

[Policy on Withdrawal of ratings](#)



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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 along with flow control equipment and industrial automation. Mr. K Balakrishna Reddy, the founder promoter of the Hyquip group has well over three decades of experience in the material handling equipment industry.

Financials (Standalone):

(Rs. crore)		
For the year ended* / As on	31.03.2021	31.03.2022
	Audited	Audited
Total Income	30.78	49.23
EBIDTA	2.75	3.93
PAT	0.32	0.90
Total Debt	23.19	16.36
Adjusted Tangible Net Worth	12.82	13.49
EBDITA Margin (%)	9.06	8.21
PAT Margin (%)	1.04	1.83
Overall Gearing Ratio (x) on Net Adjusted TNW	2.08	1.35

**Classification as per Infomerics' standards*

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 co-operate in the rating procedure despite repeated follow ups as per the Press Release dated November 18, 2021.

Any other information: Nil



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Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2022-23)					Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Current Rating	November 07, 2022	September 20, 2022	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.	GECL Loans	Long Term	1.88	IVR D Withdrawn	IVR D	IVR B+ ISSUER NOT COOPERATING*	IVR BB-/ Stable	-	-
2.	Cash Credit	Long Term	4.00	IVR D Withdrawn	IVR D	IVR B+ ISSUER NOT COOPERATING*	IVR BB-/ Stable	-	-
3.	Bank Guarantee	Short Term	10.20	IVR D Withdrawn	IVR D	IVR A4 ISSUER NOT COOPERATING*	IVR A4	-	-
4.	Proposed Bank Guarantee	Short Term	5.42	IVR D Withdrawn	IVR D	-	-	-	-

*Issuer did not cooperate; based on best available information

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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).



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

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
Cash Credit	-	-	-	4.00	IVR D withdrawn
Guaranteed Emergency Credit Line 1	-	-	FY24	1.02	IVR D withdrawn
Guaranteed Emergency Credit Line 2	-	-	FY27	0.86	IVR D withdrawn
Bank Guarantee	-	-	-	10.20	IVR D withdrawn
Proposed Bank Guarantee	-	-	-	5.42	IVR D withdrawn



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Annexure 2: List of companies considered for consolidated analysis: Not Applicable.

Annexure 3: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-Hyquip-Systems-nov22.pdf>

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.

