



Infomerics Valuation And Rating Pvt. Ltd.

Press Release

Draken Metals Trading Private Ltd.

October 8, 2018

Rating

Instrument / Facility	Amount	Rating	Rating Action
Long/Short-term Bank Facilities	Rs.150.00 crore	IVR C/IVR A4 (IVR C/IVR A Four)	Revised from IVR BB with Stable Outlook/IVR A4 (IVR Double B with Stable Outlook/IVR A Four)

Details of Facility are in Annexure 1

Detailed Rationale

The rating takes in to account the recent instances of irregularities in debt servicing by the other companies in the Oyster group. These delays are likely to be percolated to this entity as well in case the company avails this limit.

List of Key Rating Drivers

- Delays in debt servicing

Detailed Description of Key Rating Drivers

Delays in debt servicing

There have been delays in debt servicing by the other companies in the Oyster group. Further the group is facing issues in supply of material from its main supplier. These delays are likely to be percolated to this entity as well in case the company avails this limit.

Analytical Approach & Applicable Criteria

Rating Methodology for Trading Companies

Financial Ratios & Interpretation – non-financial companies



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Criteria on Default Recognition and Post-Default Curing Period

About the Company

Draken Metals Trading Pvt Ltd (DMTPL) was incorporated in March 2017. The other companies in the group are Oyster Steel & Iron Pvt Ltd (OSIPL), Olympus Metal Pvt Ltd (OMPL) and Worldwide Metals Pvt Ltd (WMPL). All the companies are involved in wholesale trading of mainly metals products such as aluminium wire rods, ingots, extrusions and copper wire rods. The companies procure their trading materials from two main suppliers namely Vedanta Ltd and Bharat Aluminium Co. Ltd (BALCO). The companies operate out of offices in New Delhi, Haryana and Rajasthan and have built up a network of around 150 customers. As the company began operations only since July 2017 it has no discernible history or performance track record.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Nil

Rating History for last three years:

S. No.	Name of Instrument/Facilities	Current Rating (Year 2018-19)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2017-18	Date(s) & Rating(s) assigned in 2016-17	Date(s) & Rating(s) assigned in 2015-16
1.	Long Term / Short Term Bank Facility - LC / Buyer's Credit / CC Facility	Long Term / Short Term	150.00	IVR C/IVR A4 (IVR C/IVR A Four)	IVR BB/Stable Outlook (IVR Double B with Stable Outlook) and IVR A4 (IVR A Four) - December 14, 2017	--	--

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.

Name and Contact Details of the Rating Analyst:



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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. It is gradually gaining prominence in domestic rating and/or grading space. Infomerics is striving for positioning itself as the most trusted & credible rating agency in the country and is gradually widening its product portfolio. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

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Annexure 1: Details of Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility(Rs. Crores)	Rating Assigned/ Outlook
LC / Buyer's Credit / CC Facility	-	-	-	150.00	IVR C/IVR A4 (IVR C/IVR A Four)