

## Splendid Metal Products Limited

August 03, 2022

### Ratings

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	1,701.84	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	269.13	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>1,970.97</b> <b>(₹ One Thousand Nine Hundred Seventy Crore and Ninety-Seven Lakhs Only)</b>		

Details of instruments/facilities in Annexure-1.

### Detailed rationale and key rating drivers

CARE had, vide its press release dated August 06, 2021 placed the rating(s) of Splendid Metal Products Limited (SMPL) under the 'issuer non-cooperating' category as SMPL had failed to provide information for monitoring of the rating. SMPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and an email dated July 06, 2022, July 08, 2022 and July 25, 2022, In line with the extant SEBI guidelines, CARE has reviewed the rating based on the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

### Detailed description of the key rating drivers

At the time of last rating on August 06, 2021 the following were the rating strengths and weaknesses:

#### Key Rating Weaknesses

#### Stretched liquidity position with ongoing delays in debt servicing

Stretched liquidity position along with delays in meeting the debt obligation and the accounts are classified as Non-Performing Assets and the company is currently under resolution process.

**Analytical approach:** Standalone

### Applicable criteria

[Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Financial ratios –Non-Financial Sector](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

[Short Term Instruments](#)

[Rating methodology-manufacturing companies](#)

[Policy in respect of Non-cooperation by issuer](#)

[Rating Methodology: Factoring Linkages in Ratings](#)

### About the company

Splendid Metal Products Limited (Erstwhile Sujana Metal Products Limited), belongs to Hyderabad based Sujana Group. SMPL was incorporated in May 1988 under the name of Sujana Steel Re-Rolling Industries (P) Limited. The name of the company was later changed to Sujana Steels Private Limited in March 1992 and got converted into public limited company in April 1992. SMPL is engaged in trading of steel products and manufacturing of TMT bars & structural steel products at its facilities located at Hyderabad, Chennai and Vizag. Sujana group, belonging to Y. S. Chowdhary, is a South India based industrial house having about two decades of experience in the steel industry. The group is involved in manufacturing of Thermo Mechanical Treated (TMT) bars, Structural Steels, Galvanised Steel towers (used in power transmission & telecom sector) and steel trading through its companies; Sujana Universal Industries Ltd, Sujana Towers Ltd. etc.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

Brief Financials (₹ crore)	March 31, 2020 (A)	March 31, 2021 (A)	March 31, 2022 (UA)	Q1FY23 (UA)
Total operating income	31.93	15.71	NA	NA
PBILDT	-17.17	-9.14	NA	NA
PAT	-43.40	-42.74	NA	NA
Overall gearing (times)	-2.06	-1.99	NA	NA
Interest coverage (times)	-441.45	-395.73	NA	NA

A: Audited UA: Unaudited NA: Not Available

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating history for the last three years:** Please refer Annexure-2

**Covenants of the rated instruments/facilities:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various instruments rated for this company:** Annexure-4

#### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	March 2019	1095.79	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Working Capital Limits		-	-	-	606.05	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC		-	-	-	269.13	CARE D; ISSUER NOT COOPERATING*

#### Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	1095.79	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (06-Aug-21)	1)CARE D; ISSUER NOT COOPERATING* (15-Jul-20)	1)CARE D; ISSUER NOT COOPERATING* (08-May-19)
2	Fund-based - LT-Working Capital Limits	LT	606.05	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (06-Aug-21)	1)CARE D; ISSUER NOT COOPERATING* (15-Jul-20)	1)CARE D; ISSUER NOT COOPERATING* (08-May-19)
3	Non-fund-based - ST-BG/LC	ST	269.13	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (06-Aug-21)	1)CARE D; ISSUER NOT COOPERATING* (15-Jul-20)	1)CARE D; ISSUER NOT COOPERATING* (08-May-19)

\*Issuer did not cooperate; Based on best available information

**Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities:** Not Applicable

**Annexure-4: Complexity level of various instruments rated for this company**

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based - LT-Working Capital Limits	Simple
3	Non-fund-based - ST-BG/LC	Simple

**Annexure-5: Bank lender details for this company**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for any clarifications.

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