

**Neueon Towers Limited
(Erstwhile Sujana Towers Limited)**

August 06, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	1,420.24	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	200.02	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	1,620.26 (Rs. One Thousand Six Hundred Twenty Crore and Twenty-Six Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated July 15, 2020, placed the rating(s) of Neueon Towers Limited (NTL) under the 'issuer non-cooperating' category as NTL had failed to provide information for monitoring of the rating. NTL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and an email dated May 31, 2021, June 10, 2021 and June 20, 2021. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of 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 July 15, 2020 the following were the rating strengths and weaknesses (updated for the information available from BSE Filing):

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

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

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

[Criteria for Short Term Instruments](#)

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

[Rating Methodology - Manufacturing Companies](#)

About the Company

Neueon Towers Limited (erstwhile Sujana Towers Limited) was established in April 2006 after demerger of Towers Division of Splendid Metal Products Limited (erstwhile Sujana Metal Products Limited), pursuant to the scheme of arrangement and amalgamation as approved by the High Court Andhra Pradesh. Neueon Towers Limited (NTL) is engaged in manufacturing of galvanized steel towers used in the power transmission and telecom tower sector. NTL was initially a part of the Sujana group, promoted by Y.S. Chowdhary who has more than 23 years of experience in steel products manufacturing and trading. The group has diversified business activity with presence in construction & structural steel, power transmission & telecom towers and allied services, energy (generation, distribution, green energy consulting and manufacture of energy saving LEDs),

²Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Issuer did not cooperate; Based on best available information

basic and urban infrastructure development, precision engineering components, domestic appliances and international trade.

Brief Financials (Rs. crore)	FY20 (A)	FY21 (A)
Total operating income	4.17	0.10
PBILDT	-103.88	-2.38
PAT	-222.29	-64.61
Overall gearing (times)	NM	NM
Interest coverage (times)	NM	NM

A: Audited NM: Not Meaningful

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument/facility: 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	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	Not Available	821.69	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Working Capital Limits	-	-	-	598.55	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC	-	-	-	200.02	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Fund-based - LT-Term Loan	LT	821.69	CARE D; ISSUER NOT COOPERATING*	-	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	598.55	CARE D; ISSUER NOT COOPERATING*	-	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	200.02	CARE D; ISSUER NOT COOPERATING*	-	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: Covenants of rated instrument/facility: Not Applicable

Annexure 4: Complexity level of various instruments rated for this Company

Sr. No.	Name of the 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

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact

Mradul Mishra

Contact no. – +91-22-6837 4424

 Email ID – mradul.mishra@careratings.com
Analyst Contact

Group Head Name – Mr. Prasanna Krishnan

Group Head Contact no. - 040-67937421

 Group Head Email ID- prasanna.krishnana@careratings.com
Relationship Contact

Name: Mr. Ramesh Bob

Contact no. : +91 9052000521

 Email ID: ramesh.bob@careratings.com
About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is 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 CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**