

South Malabar Steels and Alloys Private Limited

August 05, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	7.52	CARE B+; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB-; Stable;
Short Term Bank Facilities	1.50	CARE A4; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated June 01, 2023, placed the rating(s) of South Malabar Steels and Alloys Private Limited (SMSAPL) under the 'issuer non-cooperating' category as SMSAPL had failed to provide information for monitoring of the rating. SMSAPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated April 16, 2024, April 26, 2024, May 06, 2024.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'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).

The ratings assigned to the bank facilities of SMSAPL have been revised on account of non-availability of requisite information. The revision further considers decline in overall profitability, capital structure and debt coverage indicators during FY23 over FY22.

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers:

Please refer to PR dated [June 01, 2023](#)

Applicable criteria

[CARE Ratings' criteria on information adequacy risk and issuer non-cooperation](#)

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

About the firm

South Malabar Steel and Alloys Private Limited (SMSAPL) was incorporated in October, 1996 by Mr. K. P. Ummer and Smt. Naziya Ummer at Palakkad, Kerala. Mr. Ummer has three decades of experience in steel industry. SMSAPL is engaged in manufacturing of steel bars, rods, flats, squares and ingots which are used in construction industry. The company has an installed capacity of 30,000 Metric Tons Per Annum (MTPA) as on March 31, 2019. The company has licenses issued by the Bureau of Indian Standards to produce and mark their products as per the specification no. IS 1786:2008 (Fe 415) for TMT Bars and IS 2830:2012 (C20A) for MS Ingots.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)
Total operating income	127.87	166.34
PBILDT	2.66	2.35
PAT	1.20	0.97
Overall gearing (times)	0.75	1.03
Interest coverage (times)	5.88	3.89

A: Audited; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: CRISIL has continued the rating assigned to the bank facilities of SMSAPL into Issuer Not Cooperating category vide press release dated August 24, 2023 on account of its inability to carry out a review in the absence of the requisite information from the company.

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: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	6.50	CARE B+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	December 2023	1.02	CARE B+; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	1.50	CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

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 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Cash Credit	LT	6.50	CARE B+; Stable; ISSUER NOT COOPERATING *	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING * (01-Jun-23)	1)CARE BB-; Stable; ISSUER NOT COOPERATING * (05-May-22)	-
2	Non-fund-based - ST-Bank Guarantee	ST	1.50	CARE A4; ISSUER NOT COOPERATING *	-	1)CARE A4; ISSUER NOT COOPERATING * (01-Jun-23)	1)CARE A4; ISSUER NOT COOPERATING * (05-May-22)	-
3	Fund-based - LT-Term Loan	LT	1.02	CARE B+; Stable; ISSUER NOT COOPERATING *	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING * (01-Jun-23)	1)CARE BB-; Stable; ISSUER NOT COOPERATING * (05-May-22)	-

*Issuer did not cooperate; Based on best available information

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: Not Applicable**Annexure-4: Complexity level of the various instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple

Annexure-5: Lender details

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

Note on complexity levels of the rated instrument: 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 for any clarifications.

Contact us

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About us:

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Disclaimer:

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