

Sujana Universal Industries Limited

August 11, 2020

Ratings:

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	475.97	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING)	Issuer not cooperating; Based on best available information
Short-term Bank Facilities	363.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING)	Issuer not cooperating; Based on best available information
Total Facilities	838.97 (Rupees Eight Hundred Thirty Eight crore and Ninety Seven lakh only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers:

CARE had, vide its press release dated July 05, 2019, placed the rating(s) of Sujana Universal Industries Limited (SUIL) under the 'issuer non-cooperating' category as SUIL had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. SUIL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated May 22, 2020 and June 02, 2020. 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 05, 2019 the following were the rating strengths and weaknesses:
(Updated information taken from Bombay Stock Exchange (BSE) as it's a listed company)

Key Rating Weaknesses

Poor liquidity position with ongoing delays in debt servicing

During FY19, liquidity position of the company continued to remain stretched on account of slower realization from debtors. Given the slow realization of debtors has resulted in stretched liquidity position of the company leading to ongoing delays in meeting debt obligation.

Analytical approach: Standalone

Applicable Criteria

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

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

[Criteria for Short Term Instruments](#)

[Rating Methodology-Manufacturing Companies](#)

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

About the Company

Sujana Universal Industries Limited (SUIL) was incorporated in August 1986 and is a part of the Sujana Group. The company is engaged mainly in trading and processing of steel products and also derives income from manufacture and sale of steel bearings, electrical appliances and castings. SUIL is promoted by Mr. Y.S. Chowdhary who has

¹ Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

more than 23 years of experience in manufacturing and trading of steel products. The group has diversified business activities with its presence in construction & structural steel, power transmission & telecom towers and allied services, energy (generation, distribution, green energy consulting and manufacture of energy saving LEDs), basic and urban infrastructure development, precision engineering components, domestic appliances and international trade.

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

Brief Financials (Rs. crore)	FY18 (A)*	FY19 (A)*
Total operating income	56.22	2.36
PBILDT	-6.94	-692.16
PAT	-280.26	-730.08
Overall gearing (times)	NM	NM
Interest coverage (times)	NM	NM

A: Audited; NM: Not Meaningful * updated as per the financials available at Registrar of Companies

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

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-Cash Credit	-	-	-	424.95	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based - LT-Term Loan	-	-	Not available	51.02	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - ST-Letter of credit	-	-	-	242.50	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - ST-Stand by Line of Credit	-	-	-	120.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - ST-Bank Guarantees	-	-	-	0.50	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; 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 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Cash Credit	LT	424.95	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (05-Jul-19)	-	1)CARE D; ISSUER NOT COOPERATING* (05-Mar-18)
2.	Fund-based - LT-Term Loan	LT	51.02	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (05-Jul-19)	-	1)CARE D; ISSUER NOT COOPERATING* (05-Mar-18)
3.	Non-fund-based - ST-Letter of credit	ST	242.50	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (05-Jul-19)	-	1)CARE D; ISSUER NOT COOPERATING* (05-Mar-18)
4.	Non-fund-based - ST- Stand by Line of Credit	ST	120.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (05-Jul-19)	-	1)CARE D; ISSUER NOT COOPERATING* (05-Mar-18)
5.	Non-fund-based - ST-Bank Guarantees	ST	0.50	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (05-Jul-19)	-	1)CARE D; ISSUER NOT COOPERATING* (05-Mar-18)

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: 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-Cash Credit	Simple
2.	Fund-based - LT-Term Loan	Simple
3.	Non-fund-based - ST-Bank Guarantees	Simple
4.	Non-fund-based - ST-Letter of credit	Simple
5.	Non-fund-based - ST-Stand by Line of Credit	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.

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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.

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