

Surana Industries Limited

March 20, 2018

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Rating Action
Long-term Bank Facilities	517.28	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Issuer Not Cooperating; Based on Best Available Information
Short-term Bank Facilities	75.63	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Issuer Not Cooperating; Based on Best Available Information
Total Facilities	592.91 (Rupees Five Hundred Ninety Two crore and Ninety One lakh only)		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has been seeking information from Surana Industries Limited (SIL) to monitor the rating(s) vide e-mail communications dated February 28, 2018, February 14, 2018 and February 01, 2018 and letter dated March 02, 2018. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. **In the absence of minimum information required for the purpose of rating, CARE is unable to express opinion on the rating.** In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the publicly available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. The rating on Surana Industries Limited's bank facilities will now be denoted as **CARE D; ISSUER NOT COOPERATING***.

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 take into account ongoing delays in debt servicing on account of tight liquidity position as reported by the company.

Detailed description of the key rating drivers

At the time of last rating on March 24, 2017 the following were the rating strengths and weaknesses:

Detailed description of the key rating drivers

Instances of delays in debt servicing: The company has reported delays in debt servicing to banks on account of tight liquidity position. During FY16 (refers to the period April 01 to March 31), the company generated total income of Rs.586 crore as against Rs.643 crore during FY15. The company reported net loss of Rs.526 in FY16 as against net loss of Rs.263 crore in FY15. Net worth has moderated from Rs.668 crore as on March 31, 2015 to Rs.142 crore as on March 31, 2016.

Analytical approach: Standalone

Applicable Criteria

[CARE's Criteria on assigning Outlook to Credit Ratings](#)

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

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

About the Company

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

*Issuer did not cooperate; Based on best available information

Surana Industries Limited (SIL) is into manufacturing of iron and steel products and trading in MS Structurals. The company has two units, one each at Raichur (Karnataka) and Gummidipoondi, Tamil Nadu (GPD). During FY17 (refers to the period April 01 to March 31), the company generated total income of Rs.70 crore as against Rs.607 crore during FY16. The company reported net loss of Rs.608 in FY17 as against net loss of Rs. 526 crore in FY16. Net worth has moderated from Rs.142 crore as on March 31, 2016 to negative networth of Rs.420 crore as on March 31, 2017.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

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.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. 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.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is 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.

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	-	-	March 2023	191.30	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - ST-BG/LC	-	-	-	75.63	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based - LT-Cash Credit	-	-	-	325.98	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

*issuer did not cooperate

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 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015
1.	Fund-based - LT-Term Loan	LT	191.30	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D (24-Mar-17) 2)CARE D (21-Apr-16)	1)CARE D (23-Apr-15)	-
2.	Non-fund-based - ST-BG/LC	ST	75.63	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D (24-Mar-17) 2)CARE D (21-Apr-16)	1)CARE D (23-Apr-15)	-
3.	Fund-based - LT-Cash Credit	LT	325.98	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D (24-Mar-17) 2)CARE D (21-Apr-16)	1)CARE D (23-Apr-15)	-

*issuer did not cooperate

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