

Press Release
S M ENGINEERING WORKS
July 17, 2024



Rating Reaffirmed and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Ra |
|---------------------------------------|---------------------|---|---|
| Bank Loan Ratings | 6.65 | ACUITE D Reaffirmed Issuer not co-operating* | - |
| Bank Loan Ratings | 1.10 | - | ACUITE D Reaffirmed Issuer not co-operating* |
| Total Outstanding Quantum (Rs. Cr) | 7.75 | - | - |

Rating Rationale

Acuité has reaffirmed the long term rating of 'ACUITE D' (read as ACUITE D) and the short term rating of 'ACUITE D' (read as ACUITE D) on the Rs.7.75 crore bank facilities of S M Engineering Works (SMEW). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

About the Company

Mumbai based, S M Engineering Works (SMEW), was established in 2006, is a partnership firm engaged in fabrication and manufacturing of boilers. The partners of SMEW are Mr. M. Sekar and Mr. V. Shanmugam, has an experience of more than two decades in the similar line of business.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower:

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before the due date. Acuité believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavored to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook

Not Applicable

Other Factors affecting Rating

None

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|-------------|-------------------------------------|------------|-----------------|---|
| 24 Apr 2023 | Bank Guarantee (BLR) | Short Term | 1.10 | ACUITE D (Downgraded & Issuer not co-operating* from ACUITE A4) |
| | Cash Credit | Long Term | 6.25 | ACUITE D (Downgraded & Issuer not co-operating* from ACUITE B-) |
| | Term Loan | Long Term | 0.15 | ACUITE D (Downgraded & Issuer not co-operating* from ACUITE B-) |
| | Working Capital Demand Loan (WC DL) | Long Term | 0.25 | ACUITE D (Downgraded & Issuer not co-operating* from ACUITE B-) |
| 14 Oct 2022 | Cash Credit | Long Term | 6.25 | ACUITE B- (Reaffirmed & Issuer not co-operating*) |
| | Term Loan | Long Term | 0.15 | ACUITE B- (Reaffirmed & Issuer not co-operating*) |
| | Bank Guarantee (BLR) | Short Term | 1.10 | ACUITE A4 (Reaffirmed & Issuer not co-operating*) |
| | Working Capital Demand Loan (WC DL) | Long Term | 0.25 | ACUITE B- (Reaffirmed & Issuer not co-operating*) |
| 16 Jul 2021 | Working Capital Demand Loan (WC DL) | Long Term | 0.25 | ACUITE B- (Reaffirmed & Issuer not co-operating*) |
| | Bank Guarantee (BLR) | Short Term | 1.10 | ACUITE A4 (Reaffirmed & Issuer not co-operating*) |
| | Cash Credit | Long Term | 6.25 | ACUITE B- (Reaffirmed & Issuer not co-operating*) |
| | Term Loan | Long Term | 0.15 | ACUITE B- (Reaffirmed & Issuer not co-operating*) |

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Complexity Level | Quantum (Rs. Cr.) | Rating |
|---------------------|----------------------|-------------------------------------|----------------------|----------------------|----------------------|------------------|-------------------|---|
| State Bank of India | Not avl. / Not appl. | Bank Guarantee (BLR) | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 1.10 | ACUITE D Reaffirmed Issuer not co-operating* |
| State Bank of India | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 6.25 | ACUITE D Reaffirmed Issuer not co-operating* |
| State Bank of India | Not avl. / Not appl. | Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 0.15 | ACUITE D Reaffirmed Issuer not co-operating* |
| State Bank of India | Not avl. / Not appl. | Working Capital Demand Loan (WC DL) | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 0.25 | ACUITE D Reaffirmed Issuer not co-operating* |

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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