

## Press Release

### S M Electric Works

September 26, 2018

### Rating Update



<b>Total Bank Facilities Rated*</b>	Rs. 20.00 Cr.#
<b>Long Term Rating</b>	ACUITE BB- Issuer not co-operating*
<b>Short Term Rating</b>	ACUITE A4+ Issuer not co-operating*

#Refer Annexure for details

\*The issuer did not co-operate; based on best available information.

### Rating Rationale

Acuité has reviewed the long term rating of '**ACUITE BB-**' (read as **ACUITE double B minus**) and the short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) to the Rs.20.00 crore bank facilities of S M Electric Works. This rating is now an indicative rating and is based on best available information.

#### 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 due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

#### Applicable Criteria

- Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-14.htm>
- Application of Financial Ratios and Adjustments: <https://www.acuite.in/view-rating-criteria-20.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-17.htm>

#### 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 endeavoured 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:

SME is a Maharashtra-based proprietary concern promoted by Mr. S M Saraf. The firm undertakes electrical contracts for maintenance and repair of power lines, installation of substations on turnkey basis and overhauling of transformers. The nature of business is tender based.

For FY2016-17, the firm reported profit after tax (PAT) of Rs.1.07 crore on operating income of Rs.28.24 crore, compared with net profit of Rs.0.88 crore on operating income of Rs.25.14 crore in FY2015-16. The net worth stood at Rs.7.02 crore as on 31 March, 2017 as against Rs.7.25 crore a year earlier.

#### Status of non-cooperation with previous CRA (if applicable)

None

### Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

### Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
10-July-2017	Proposed Cash Credit	Long term	7.50	ACUITE BB- (Assigned)
	Proposed Bank Guarantee	Short term	10.00	ACUITE A4+ (Assigned)
	Proposed Letter of Credit	Short term	2.50	ACUITE A4+ (Assigned)

### \*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	7.50	ACUITE BB- Issuer not co-operating*
Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE A4+ Issuer not co-operating*
Proposed Letter of Credit	Not Applicable	Not Applicable	Not Applicable	2.50	ACUITE A4+ Issuer not co-operating*

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**About Acuite Ratings & Research:**

Acuite Ratings & Research Limited (*erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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