

Press Release

Suwarna Buildcon Private Limited

July 06, 2018

Rating Downgraded



Total Bank Facilities Rated#	Rs. 20.00 Cr.
Long Term Rating	ACUITE BB+ (Issuer not co-operating*; Revised from ACUITE BBB-/Stable)
Short Term Rating	ACUITE A4+ (Issuer not co-operating*; Revised from ACUITE A3)

Refer Annexure for details

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

Rating Rationale

Acuite has revised long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and short term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3**' (read as **ACUITE A three**) on the Rs. 20.00 crore bank facilities of Suwarna Buildcon Private Limited (SBPL). This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower:

Acuite 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. Acuite has downgraded its rating on the bank facility of SBPL. The downgrade of the ratings is on account of absence of adequate information to enable Acuite to assess SBPL's ability to service its debt. This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Applicable criteria

- Manufacturing Entities: <https://acuite.in/view-rating-criteria-4.htm>
- Default Recognition: <https://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). Acuite endeavored to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rating Entity

Suwarna Buildcon Private Limited (SBPL) was incorporated in 2011. The company is a registered Class I contractor and undertakes projects as a principal contractor and also as a subcontractor catering to the irrigation segment. SBPL undertakes construction of weirs and barrages, road work, minor bridges and buildings in Maharashtra. The day-to-day operations are led by Mr. Manojkumar Abrol, Mrs. Rashmi M Abrol (wife) and Ms. Rashi Abrol (daughter).

For FY2015-16, SBPL reported Profit after Tax (PAT) of Rs.2.94 crore on operating income of Rs.36.00 crore as against PAT of Rs.3.14 crore on operating income of Rs.21.13 crore in the previous year. The net worth stood at Rs.12.26 crore as on 31 March, 2016 as against Rs.9.32 crore in the previous year.

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. Crore)	Ratings/Outlook
28-Jul-2017	Proposed Cash Credit	Long Term	5.00	ACUITE BBB-/Stable (Assigned)
	Proposed Term Loan	Long Term	5.00	ACUITE BBB-/Stable (Assigned)
	Proposed Bank Guarantee	Long Term	10.00	ACUITE A3 (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	5.00	ACUITE BB+ (Indicative)
Proposed Term Loan	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE BB+ (Indicative)
Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE A4+ (Indicative)

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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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