

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

Acuité 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:

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. Acuité 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 Acuité 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 Acuité'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). 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 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

Acuité 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)

Contacts

Analytical	Rating Desk
Suman Chowdhury President - Rating Operations Tel: 022-67141107 suman.chowdhury@acuiteratings.in	Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuiteratings.in
Shashikala Hegde Analyst - Rating Operations Tel: 022-67141321 shashikala.hegde@acuiteratings.in	

About Acuité Ratings & Research:

Acuité 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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.