

## Press Release

SS Rail Works Private Limited

November 29, 2022



### Rating Downgraded & Withdrawn and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
<b>Bank Ratings</b> <b>Loan</b>	14.50	ACUITE BBB-   Downgraded & Withdrawn   Issuer not co-operating*	-
<b>Bank Ratings</b> <b>Loan</b>	55.50	-	ACUITE A3   Downgraded & Withdrawn   Issuer not co-operating*
<b>Total Outstanding Quantum</b> (Rs. Cr)	0.00	-	-
<b>Total Withdrawn Quantum</b> (Rs. Cr)	70.00	-	-

### Rating Rationale

Acuite has downgraded & withdrawn the long-term rating to '**ACUITE BBB-**' (read as **ACUITE triple B 'minus'**) from '**ACUITE BBB**' (read as **ACUITE Triple B**) and short term rating to '**ACUITE A3** (read as **ACUITE A three**) from '**ACUITE A3+** (read as **ACUITE A three 'plus'**) on the Rs.70 Cr bank facilities of SS RAIL WORKS PRIVATE LIMITED (SSRWPL) .

This rating is now an indicative rating and is based on the best available information. The rating withdrawal is in accordance with the Acuite's policy on withdrawal of rating. The rating is being withdrawn on account of request received from the company and NOC received from the banker.

The rating has been downgraded on account of information risk.

### About the Company

SS Rail works Private Limited (SSRWPL), a Hyderabad-based company, was incorporated in 2014 by Mr. Srinivasulu Reddy Annamreddy, Mrs.Padmavathi Annam Reddy, Mr.Venkat Manish Reddy Annamreddy and Ms. Manmitha Ammanreddy. SSRWPL was established to take over the existing business of S&S Enterprises established in 1995 as a proprietorship concern of Mr.Srinivasulu Reddy Annamreddy. SSRWPL is engaged in the business of executing engineering, procurement and construction (EPC) for in railway related works primarily of signalling and Telecommunication Infrastructure. SSRWPL executes majorly tender-based projects from Indian Railways. SSRWPL generates 95 per cent of its revenue from execution of contracts while 5 per cent of the revenue is generated from services such as after sales services and annual maintenance contracts.

### 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 has 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.

### **Rating Sensitivities**

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

### **Material Covenants**

None

### **Liquidity Position**

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

### **Outlook:**

Not applicable

### **Key Financials**

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	224.35	194.16
PAT	Rs. Cr.	12.83	11.61
PAT Margin	(%)	5.72	5.98
Total Debt/Tangible Net Worth	Times	0.80	0.67
PBDIT/Interest	Times	5.04	5.61

### **Status of non-cooperation with previous CRA**

None

### **Any other information**

None

### **Applicable Criteria**

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.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

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
17 Sep 2021	Cash Credit	Long Term	7.50	ACUITE BBB   Stable (Assigned)
	Cash Credit	Long Term	5.00	ACUITE BBB   Stable (Assigned)
	Bank Guarantee	Short Term	20.50	ACUITE A3+ (Assigned)
	Bank Guarantee	Short Term	25.00	ACUITE A3+ (Reaffirmed)
	Bank Guarantee	Short Term	10.00	ACUITE A3+ (Assigned)
	Cash Credit	Long Term	2.00	ACUITE BBB   Stable (Reaffirmed)
06 Apr 2021	Proposed Bank Guarantee	Short Term	3.00	ACUITE A3+ (Upgraded from ACUITE A4+)
	Bank Guarantee	Short Term	25.00	ACUITE A3+ (Upgraded from ACUITE A4+)
	Cash Credit	Long Term	2.00	ACUITE BBB   Stable (Upgraded from ACUITE BB+)
31 Dec 2019	Proposed Bank Guarantee	Short Term	15.00	ACUITE A4+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	13.00	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	2.00	ACUITE BB+ (Issuer not co-operating*)
09 Apr 2019	Bank Guarantee	Short Term	13.00	ACUITE A3 (Issuer not co-operating*)
	Proposed Bank Guarantee	Short Term	15.00	ACUITE A3 (Issuer not co-operating*)
	Cash Credit	Long Term	2.00	ACUITE BBB- (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
IDBI Bank Ltd.	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	25.00	ACUITE A3   Downgraded & Withdrawn   Issuer not co-operating*
HDFC Bank Ltd.	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	10.00	ACUITE A3   Downgraded & Withdrawn   Issuer not co-operating*
ICICI Bank Ltd.	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	20.50	ACUITE A3   Downgraded & Withdrawn   Issuer not co-operating*
IDBI Bank Ltd.	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	2.00	ACUITE BBB-   Downgraded & Withdrawn   Issuer not co-operating*
ICICI Bank Ltd.	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	7.50	ACUITE BBB-   Downgraded & Withdrawn   Issuer not co-operating*
HDFC Bank Ltd.	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	5.00	ACUITE BBB-   Downgraded & Withdrawn   Issuer not co-operating*

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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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