



Press Release
Sri Srinivasa Constructions India Private Limited
October 24, 2024
Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	60.50	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	350.00	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	410.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

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

Rating Rationale

Acuite has downgraded its long-term rating to ‘ACUITE BB+’ (read as ACUITE double B plus) from ‘ACUITE BBB+’ (read as ACUITE Triple B Plus) and its short-term rating to ‘ACUITE A4+’ (read as ACUITE A Four Plus) from ‘ACUITE A2’ (read as ACUITE A Two) on the Rs. 410.50 crore bank facilities of Sri Srinivasa Constructions India Private Limited (SSCIPL). The rating is now flagged as “Issuer Not-Cooperating” on account of information risk and is based on the best available information.

Acuite had sent repeated reminders to the company for sharing critical information and documents for surveillance of the ratings. But despite multiple requests, the company has remained non-cooperative in providing any information. The rating downgrade is on account of information risk

About the Company

The Karnataka based, Sri Srinivasa Constructions (SSC) was established in 1992 as a partnership firm by Mr. Y. Pitcheswara Rao and Mr. Y.V.S. Rama Krishna. In the year 2009, Sri Srinivasa Constructions India Private Limited (SSCIPL) was incorporated to take over the running operations of SSC. The company promoted by promoters is engaged in undertaking civil construction works including water supply projects, buildings, irrigation projects, industrial projects, road projects and power transmission projects in Karnataka, Andhra Pradesh, Tamil Nadu, Meghalaya and Telangana.

SSCIPL is a registered Class 1 contractor for various departments including Public Work Departments (PWD), Panchayat Raj Engineering Department (PRED), Public Health Engineering Department (PHED) among others. The present directors of the company are Mr. Yaralagadda Pitcheswara Rao and Mr. Yarlagadda Ramakrishna Venkateshiva

Unsupported Rating

Not Applicable

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 the due date. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with 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 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

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	343.92	393.04
PAT	Rs. Cr.	15.97	18.04
PAT Margin	(%)	4.64	4.59
Total Debt/Tangible Net Worth	Times	0.56	0.10
PBDIT/Interest	Times	3.75	7.87

Status of non-cooperation with previous CRA

Not Applicable

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. Acuité'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
04 Aug 2023	Bank Guarantee/Letter of Guarantee	Short Term	50.00	ACUITE A2 (Upgraded from ACUITE A4+)
	Bank Guarantee/Letter of Guarantee	Short Term	60.00	ACUITE A2 (Upgraded from ACUITE A4+)
	Bank Guarantee (BLR)	Short Term	30.00	ACUITE A2 (Upgraded from ACUITE A4+)
	Bank Guarantee (BLR)	Short Term	20.00	ACUITE A2 (Assigned)
	Bank Guarantee (BLR)	Short Term	71.60	ACUITE A2 (Assigned)
	Letter of Credit	Short Term	30.00	ACUITE A2 (Assigned)
	Bank Guarantee (BLR)	Short Term	25.00	ACUITE A2 (Assigned)
	Bank Guarantee (BLR)	Short Term	50.00	ACUITE A2 (Assigned)
	Proposed Bank Guarantee	Short Term	13.40	ACUITE A2 (Assigned)
	Cash Credit	Long Term	20.00	ACUITE BBB+ Stable (Upgraded from ACUITE BB+)
	Cash Credit	Long Term	5.00	ACUITE BBB+ Stable (Upgraded from ACUITE BB+)
	Cash Credit	Long Term	5.00	ACUITE BBB+ Stable (Upgraded from ACUITE BB+)
	Cash Credit	Long Term	10.00	ACUITE BBB+ Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	0.50	ACUITE BBB+ Stable (Upgraded from ACUITE BB+)
	Cash Credit	Long Term	20.00	ACUITE BBB+ Stable (Assigned)
30 May 2023	Bank Guarantee/Letter of Guarantee	Short Term	50.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A2+)
	Bank Guarantee/Letter of Guarantee	Short Term	60.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A2+)
	Bank Guarantee (BLR)	Short Term	30.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A2+)
	Cash Credit	Long Term	20.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE A- Stable)
	Cash Credit	Long Term	5.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE A- Stable)
	Cash Credit	Long Term	5.50	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE A- Stable)
22 Aug 2022	Cash Credit	Long Term	5.00	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	5.50	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	20.00	ACUITE A- Stable (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	50.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	60.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	30.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	30.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	50.00	ACUITE A2+ (Reaffirmed)

27 May 2021	Bank Guarantee (BLR)	Short Term	60.00	ACUITE A2+ (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	20.00	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	5.50	ACUITE A- Stable (Reaffirmed)
15 Apr 2021	Cash Credit	Long Term	5.00	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	20.00	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE A- Stable (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	50.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	35.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	5.00	ACUITE A2+ (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
HDFC Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A2)
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A2)
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	71.60	Simple	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A2)
HDFC Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A2)
Karnataka Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A2)
Canara Bank	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A2)
State Bank of India	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	60.00	Simple	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A2)
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
Axis Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
Karnataka Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A2)
Not Applicable	Not avl. / Not appl.	Proposed Bank Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	13.40	Simple	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A2)
* The issuer did not co-operate; based on best available information.								
		Proposed Long		Not avl.				ACUITE BB+

Not Applicable	/ Not appl.	Term Bank Facility	Not avl. / Not appl.	/ Not appl.	Not avl. / Not appl.	0.50	Simple	Downgraded Issuer not co-operating* (from ACUITE BBB+)
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* The issuer did not co-operate; based on best available information.

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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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