

Press Release

SPML Infra Limited

November 26, 2019



Rating Update

Total Bank Facilities Rated*	Rs. 2200.00 Cr. #
Long Term Rating	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Short Term Rating	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*

Refer Annexure for details

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

Acuité has downgraded long-term rating to '**ACUITE BB+**' (**read as ACUITE double B plus**) from '**ACUITE BBB-**' (**read as ACUITE A 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. 2200.00 crore bank facilities of SPML INFRA LIMITED (SPMLIL). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

Incorporated in 1981, SPMLIL is engaged in infrastructure development on engineering, procurement and construction (EPC) basis which include water infrastructure and management, wastewater treatment, rural electrification and distribution, solid waste management and other civil infrastructure. The company undertakes tender based contract from government departments and has a pan-India presence with ongoing projects at Delhi, Uttar Pradesh, Rajasthan, Bihar, Gujarat, Maharashtra and Karnataka. The company was promoted by the Sethi family headed by Mr. Subhas Sethi.

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 believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Entities in Infrastructure Sector- <https://www.acuite.in/view-rating-criteria-14.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 - Key Financials

	Unit	FY19 (Actual)	FY18 (Actual)	FY17 (Actual)
Operating Income	Rs. Cr.	1,433.36	1,355.93	1,701.25
EBITDA	Rs. Cr.	163.69	202.57	171.99
PAT	Rs. Cr.	49.62	43.12	1.45
EBITDA Margin	(%)	11.42	14.94	10.11
PAT Margin	(%)	3.46	3.18	0.09
ROCE (%)	(%)	13.66	17.05	17.58

Total Debt/Tangible Net Worth	Times	3.40	2.95	2.42
PBDIT/Interest	Times	1.47	1.32	1.04
Total Debt/PBDIT	Times	5.77	4.97	4.42
Gross Current Assets (Days)	Days	483	502	332

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. Cr.)	Ratings/Outlook
29-May-2019	Cash Credit	Long Term	495.23	ACUITE BBB- (Indicative)
	Term Loans	Long Term	74.69	ACUITE BBB- (Indicative)
	Letter of Credit	Short Term	102.86	ACUITE A3 (Indicative)
	Bank guarantee	Short Term	1499.40	ACUITE A3 (Indicative)
	Proposed Bank guarantee	Short Term	27.82	ACUITE A3 (Indicative)
06-Apr-2018	Cash Credit	Long Term	495.23	ACUITE BBB-/Stable (Assigned)
	Term Loans	Long Term	74.69	ACUITE BBB-/Stable (Assigned)
	Letter of Credit	Short Term	102.86	ACUITE A3 (Assigned)
	Bank guarantee	Short Term	1499.40	ACUITE A3 (Assigned)
	Proposed Bank guarantee	Short Term	27.82	ACUITE A3 (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	495.23	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	74.69	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	102.86	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	1499.40	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*
Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	27.82	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*

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

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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.

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