

Press Release

SPML Infra Limited

August 20, 2020

Rating Update



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

Refer Annexure for details

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

Acuite has downgraded the long-term rating to '**ACUITE D (read as ACUITE D)**' from '**ACUITE BB+ (read as ACUITE double B plus)**' and the short term rating to '**ACUITE D (read as ACUITE D)**' from '**ACUITE A4+ (read as ACUITE A four plus)**' on the Rs. 2200.00 crore bank facilities of SPML Infra Limited (SPMLIL). The rating downgrade is on account of information risk. The rating continues to be flagged as "Issuer Not-Cooperating".

Acuite has relied on publicly available information with regards to the account conduct.

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

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 non-cooperation by the issuer along with an 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-52.htm>
- Entities in Infrastructure Sector - <https://www.acuite.in/view-rating-criteria-51.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 endeavoured 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 Rated Entity - Key Financials

	Unit	FY20 (Actual)	FY19 (Actual)
Operating Income	Rs. Cr.	971.90	1,433.36
PAT	Rs. Cr.	2.42	49.62
PAT Margin	(%)	0.25	3.46
Total Debt/Tangible Net Worth	Times	3.79	3.40
PBDIT/Interest	Times	1.05	1.47

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

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. Cr.)	Ratings/Outlook
26-Nov-2019	Cash Credit	Long Term	495.23	ACUITE BB+ (Downgraded and Indicative)
	Term Loans	Long Term	74.69	ACUITE BB+ (Downgraded and Indicative)
	Letter of Credit	Short Term	102.86	ACUITE A4+ (Downgraded and Indicative)
	Bank guarantee	Short Term	1499.40	ACUITE A4+ (Downgraded and Indicative)
	Proposed Bank guarantee	Short Term	27.82	ACUITE A4+ (Downgraded and Indicative)
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 D (Downgraded from ACUITE BB+) Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	74.69	ACUITE D (Downgraded from ACUITE BB+) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	102.86	ACUITE D (Downgraded from ACUITE A4+) Issuer not co-operating*

Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	1499.40	ACUITE D (Downgraded from ACUITE A4+) Issuer not co-operating*
Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	27.82	ACUITE D (Downgraded from ACUITE A4+) Issuer not co-operating*

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

Contacts

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About Acuité Ratings & Research:

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