

Press Release

SMS Limited

May 07, 2021



Rating Withdrawn

Total Bank Facilities Rated*	Rs. 1370.00 Cr. #
Long Term Rating	ACUITE BBB (Downgraded & Withdrawn; Issuer not co-operating*)
Short Term Rating	ACUITE A2 (Downgraded & Withdrawn; Issuer not co-operating*)

Refer Annexure for details

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

Acuité has downgraded and withdrawn the long-term rating to '**ACUITE BBB**' (**read as ACUITE triple B**) from '**ACUITE A**' (**read as ACUITE A**) and short-term rating to '**ACUITE A2**' (**read as ACUITE A two**) from '**ACUITE A1**' (**read as ACUITE A one**) on the Rs. 1370.00 crore bank facilities of SMS Limited (SL). The rating withdrawal is in accordance with Acuité's policy on withdrawal of rating. The rating is now indicative rating and is downgraded on account of information risk.

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

SMS Limited (SL), erstwhile known as SMS Infrastructure Limited, is Nagpur based and was established in the year 1963 by Late Mr. Shaktikumar Sancheti as a proprietary concern. Later in 1997, the constitution was changed to public limited company. The company changed its name to SMS Limited in January 2016. The company is currently managed by Mr. Abhay Sancheti, brother of Mr. Shaktikumar Sancheti, and younger son of Mr. Shaktikumar Sancheti- Mr. Anand Sancheti. SL is engaged as a Mine Developer and Operator and is involved in other civil construction works via EPC route. The operations are diversified into mine extraction, construction of roads, bridges and railways, irrigation, waste management, toll collection and electrical works.

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.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- 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). 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.

Liquidity Position

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

Rating Sensitivities

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

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

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

Not Applicable

Any other information

None

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
31-Jul-2019	Cash Credit	Long Term	23.00	ACUITE A/Stable (Reaffirmed)
	Cash Credit	Long Term	130.00	ACUITE A/Stable (Reaffirmed)
	Standby Line of Credit	Short Term	20.00	ACUITE A1 (Reaffirmed)
	Cash Credit	Long Term	105.00	ACUITE A/Stable (Reaffirmed)
	Cash Credit	Long Term	32.00	ACUITE A/Stable (Reaffirmed)
	Cash Credit	Long Term	11.00	ACUITE A/Stable (Reaffirmed)
	Bank Guarantee	Short Term	164.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee	Short Term	225.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee	Short Term	225.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee	Short Term	230.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee	Short Term	189.00	ACUITE A1 (Reaffirmed)
	Proposed Bank Facility	Short Term	16.00	ACUITE A1 (Reaffirmed)
04-May-2018	Cash Credit	Long Term	23.00	ACUITE A/Stable (Assigned)
	Cash Credit	Long Term	130.00	ACUITE A/Stable (Assigned)
	Standby Line of Credit	Short Term	20.00	ACUITE A1 (Assigned)
	Cash Credit	Long Term	105.00	ACUITE A/Stable (Assigned)
	Cash Credit	Long Term	32.00	ACUITE A/Stable (Assigned)
	Cash Credit	Long Term	11.00	ACUITE A/Stable (Assigned)
	Bank Guarantee	Short Term	164.00	ACUITE A1 (Assigned)
	Bank Guarantee	Short Term	225.00	ACUITE A1 (Assigned)
	Bank Guarantee	Short Term	225.00	ACUITE A1 (Assigned)
				ACUITE A1

	Bank Guarantee	Short Term	230.00	(Assigned)
	Bank Guarantee	Short Term	189.00	ACUITE A1 (Assigned)
	Proposed Bank Facility	Short Term	16.00	ACUITE A1 (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	23.00	ACUITE BBB (Downgraded & Withdrawn; Issuer not co-operating*)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	130.00	ACUITE BBB (Downgraded & Withdrawn; Issuer not co-operating*)
Standby Line of Credit	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE A2 (Downgraded & Withdrawn; Issuer not co-operating*)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	105.00	ACUITE BBB (Downgraded & Withdrawn; Issuer not co-operating*)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	32.00	ACUITE BBB (Downgraded & Withdrawn; Issuer not co-operating*)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	11.00	ACUITE BBB (Downgraded & Withdrawn; Issuer not co-operating*)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	164.00	ACUITE A2 (Downgraded & Withdrawn; Issuer not co-operating*)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	225.00	ACUITE A2 (Downgraded & Withdrawn; Issuer not co-operating*)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	225.00	ACUITE A2 (Downgraded & Withdrawn; Issuer not co-operating*)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	230.00	ACUITE A2 (Downgraded & Withdrawn; Issuer not co-operating*)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	189.00	ACUITE A2 (Downgraded & Withdrawn; Issuer not co-operating*)
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	16.00	ACUITE A2 (Downgraded & Withdrawn; Issuer not co-operating*)

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

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President- Corporate and Infrastructure Sector Tel: 022-49294041 aditya.gupta@acuite.in	Varsha Bist Senior Manager - Rating Desk Tel: 022-49294011 rating.desk@acuite.in
Aishwarya Phalke Senior Analyst - Rating Operations Tel: 022-49294031	

aishwarya.phalke@acuite.in

About Acuité Ratings & Research:

Acuité Ratings & Research 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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