

Press Release

SRK Constructions and Projects Private Limited

September 27, 2019

Rating Update



Total Bank Facilities Rated*	Rs. 387.00 Cr. #
Long Term Rating	ACUITE BB+ (Downgraded from ACUITE A) Issuer not co-operating*
Short Term Rating	ACUITE A4+ (Downgraded from ACUITE A1) Issuer not co-operating*

Refer Annexure for details`

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

Acuité has downgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE A**' (read as **ACUITE A**) and short-term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A1**' (read as **ACUITE A one**) on the Rs. 387.00 Cr. bank facilities of SRK Constructions and Projects Private Limited (SRK). The company has not provided any business or financial information necessary for conducting the review of the rating. The downgrade in rating is due to feedback received from market sources on the company's tight liquidity position. However, Acuité has not been able to obtain any formal confirmation from the bankers regarding SRK's liquidity status. This rating is now an indicative rating and is based on best available information.

Incorporated 2001, SRK is engaged in the business of civil construction and primarily undertakes road construction works in the states of Andhra Pradesh, Telangana, and Maharashtra. The company is promoted by Mr. Settipalli Ravi Kumar, who started the business as a contractor in 1982 as a sole proprietorship concern and reconstituted as a private limited company in 2001. SCPL undertakes infrastructure projects for National Highways Authority of India (NHAI), State Road Development Corporations (SRDC) like Andhra Pradesh State Road Development Corporation among others. All the projects are funded under 'The Ministry of Road Transport & Highways (MORTH)' and 'Central Road and Infrastructure Fund (CRIF)'.

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of SCPPL to arrive at this rating.

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.

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/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Manufacturing Entities- <https://www.acuite.in/view-rating-criteria-4.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

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

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. Crore)	Ratings/Outlook
06-Feb-2018	Cash Credit	Long Term	27.00	ACUITE A/ Stable (Reaffirmed)
	Cash Credit	Long Term	25.00	ACUITE A/ Stable (Reaffirmed)
	Cash Credit	Long Term	8.00	ACUITE A/ Stable (Reaffirmed)
	Cash Credit	Long Term	1.50	ACUITE A/ Stable (Reaffirmed)
	Cash Credit	Long Term	4.00	ACUITE A/ Stable (Reaffirmed)
	Proposed Cash Credit	Long Term	4.50	ACUITE A/ Stable (Reaffirmed)
	Bank Guarantee	Short Term	190.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee	Short Term	35.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee	Short Term	12.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee	Short Term	14.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee	Short Term	36.00	ACUITE A1 (Reaffirmed)
	Proposed Bank Guarantee	Short Term	30.00	ACUITE A1 (Reaffirmed)
07-Aug-2018	Cash Credit	Long Term	10.00	ACUITE A (Assigned)
	Bank guarantee/Letter of Guarantee	Long Term	10.00	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
Cash Credit	Not Applicable	Not Applicable	Not Applicable	27.00	ACUITE BB+ Downgraded from ACUITE A Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	25.00	ACUITE BB+ Downgraded from ACUITE A Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	8.00	ACUITE BB+ Downgraded from ACUITE A Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	1.50	ACUITE BB+ Downgraded from ACUITE A Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE BB+ Downgraded from ACUITE A Issuer not co-operating*
Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.50	ACUITE BB+ Downgraded from ACUITE A Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	190.00	ACUITE A4+ Downgraded from ACUITE A1 Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	35.00	ACUITE A4+ Downgraded from ACUITE A1 Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	12.00	ACUITE A4+ Downgraded from ACUITE A1 Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	14.00	ACUITE A4+ Downgraded from ACUITE A1 Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	36.00	ACUITE A4+ Downgraded from ACUITE A1 Issuer not co-operating*
Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	30.00	ACUITE A4+ Downgraded from ACUITE A1 Issuer not co-operating*

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

Contacts

Analytical	Rating Desk
Pooja Ghosh Head - Corporate and Infrastructure Sector Ratings Tel: 033-6620 1203 pooja.ghosh@acuite.in Pallavi Meher Analyst - Rating Operations Tel: 033-66201215 pallavi.meher@acuite.in	Varsha Bist Manager - Rating Desk Tel: 022-49294011 rating.desk@acuite.in

About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile ACUITE 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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