

**Press Release**  
**BMS Projects**  
**May 07, 2024**



**Rating Downgraded and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	7.00	ACUITE BB+   Downgraded   Issuer not co-operating*	-
Bank Loan Ratings	44.00	-	ACUITE A4+   Downgraded   Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	51.00	-	-

**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 minus)**' and short-term rating to '**Acuite A4+(read as Acuite A four plus)**' from '**Acuite A3(read as Acuite A three)**' on Rs.51.00 Cr. bank facilities of BMS Projects. The downgrade is on account of information risk. This rating is now an indicative rating as client has not submitted No Default Statement (NDS) for the past 3 months.

**About the Company**

Established in 2014, BMS Projects is a partnership firm managed by Mr. Bhupesh Somani and Mr. Manish Somani. The firm undertakes construction works for roads and buildings majorly in Odisha and Chhattisgarh. BMSP is a registered Class I category contractor with P.W.D.

**Unsupported Rating**

Not Applicable

**Non-cooperation by the issuer/borrower**

Acuite has been requesting for No Default Statements (NDS); however, despite multiple requests; the Company's management has remained non-cooperative and not submitted the NDS for the preceding 03 consecutive months. 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 Acuite'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). Acuite has 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.

**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 (Provisional)	FY 22 (Actual)
Operating Income	Rs. Cr.	116.49	95.93
PAT	Rs. Cr.	3.29	2.52
PAT Margin	(%)	2.82	2.63
Total Debt/Tangible Net Worth	Times	0.41	0.48
PBDIT/Interest	Times	2.56	2.53

### 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, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite'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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
12 Oct 2023	Cash Credit	Long Term	5.50	ACUITE BBB-   Stable (Reaffirmed)
	Cash Credit	Long Term	1.50	ACUITE BBB-   Stable (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	5.50	ACUITE A3 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	18.50	ACUITE A3 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	20.00	ACUITE A3 (Reaffirmed)
27 Jul 2022	Bank Guarantee (BLR)	Short Term	18.50	ACUITE A3 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	5.50	ACUITE A3 (Assigned)
	Bank Guarantee (BLR)	Short Term	20.00	ACUITE A3 (Assigned)
	Cash Credit	Long Term	5.50	ACUITE BBB-   Stable (Reaffirmed)
	Cash Credit	Long Term	1.50	ACUITE BBB-   Stable (Assigned)
30 Jun 2022	Bank Guarantee (BLR)	Short Term	18.50	ACUITE A3 (Upgraded from ACUITE A4+)
	Cash Credit	Long Term	5.50	ACUITE BBB-   Stable (Upgraded from ACUITE BB+   Stable)
07 Jun 2022	Cash Credit	Long Term	5.50	ACUITE BB+   Stable (Upgraded from ACUITE BB-)
	Bank Guarantee (BLR)	Short Term	18.50	ACUITE A4+ (Reaffirmed)
17 Aug 2021	Cash Credit	Long Term	5.00	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB)
	Bank Guarantee (BLR)	Short Term	19.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
HDFC Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	5.50	ACUITE A4+   Downgraded   Issuer not co-operating* (from ACUITE A3)
HDFC Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	18.50	ACUITE A4+   Downgraded   Issuer not co-operating* (from ACUITE A3)
Axis Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	20.00	ACUITE A4+   Downgraded   Issuer not co-operating* (from ACUITE A3)
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	5.50	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.	Simple	1.50	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB-)

## Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294017 <a href="mailto:mohit.jain@acuite.in">mohit.jain@acuite.in</a>	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 <a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a>
Pradeep Singh Senior Analyst-Rating Operations Tel: 022-49294065 <a href="mailto:pradeep.singh@acuite.in">pradeep.singh@acuite.in</a>	

### 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.

**Disclaimer:** An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.acuite.in](http://www.acuite.in)) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.