

Press Release

Sree Lakshmi Electrical Services

October 23, 2020

Rating Update



Total Bank Facilities Rated*	Rs. 30.00 Cr. #
Long Term Rating	ACUITE BB+ Issuer not co-operating* (Downgraded from ACUITE BBB-/Stable)
Short Term Rating	ACUITE A4+ Issuer not co-operating* (Downgraded from ACUITE A3)

Refer Annexure for details

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

Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB-/Stable** (read as **ACUITE triple B minus**)' and downgraded the short-term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3** (read as **ACUITE A three**)' on the Rs.30.00 crore bank facilities of Sree Lakshmi Electrical Services (SLES). This rating is now an indicative rating and is downgraded on account of information risk.

Sree Lakshmi Electrical Services (SLES) was established in the year 2003, as a proprietorship concern, promoted by Mr. Chandra Mohan Reddy. It was reconstituted as a partnership firm in June 2013. Mr. Chandra Mohan Reddy is the Managing Partner, while his spouse, Mrs. Sowbhagya Lakshmi, is the other partner of the firm. The firm is an electrical contractor and is a registered Class I contractor with the Government of Telangana, Andhra Pradesh, and Karnataka.

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 the due date.

Acuité 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.

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 Entities - <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.

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)

SLES has not cooperated with CARE RATINGS, which has classified the company as non-cooperative through a release dated May 11, 2020.

The reason provided by CARE RATINGS is non-furnishing of information for monitoring of ratings.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
13-Aug-2019	Proposed Letter of Credit	Short Term	5.00	ACUITE A3 (Assigned)
	Bank Guarantee	Short Term	12.50	ACUITE A3 (Reaffirmed)
	Proposed Secured Overdraft	Long Term	2.00	ACUITE BBB- / Stable (Reaffirmed)
	Secured Overdraft	Long Term	3.00	ACUITE BBB- / Stable (Reaffirmed)
	Proposed Bank Guarantee	Short Term	7.50	ACUITE A3 (Reaffirmed)
06-Aug-2019	Secured Overdraft	Long Term	3.00	ACUITE BBB- / Stable (Assigned)
	Bank Guarantee	Short Term	12.50	ACUITE A3 (Assigned)
	Proposed Bank Guarantee	Short Term	7.50	ACUITE A3 (Assigned)
	Proposed Secured Overdraft	Long Term	2.00	ACUITE BBB- / Stable (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Overdraft	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE BB+ Issuer not co-operating* (Downgraded from ACUITE BBB-/Stable)
Proposed Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE BB+ Issuer not co-operating* (Downgraded from ACUITE BBB-/Stable)
Bank guarantee	Not Applicable	Not Applicable	Not Applicable	12.50	ACUITE A4+ Issuer not co-operating* (Downgraded from ACUITE A3)
Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	7.50	ACUITE A4+ Issuer not co-operating* (Downgraded from ACUITE A3)
Proposed Letter of Credit	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE A4+ Issuer not co-operating* (Downgraded from ACUITE A3)

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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 8,000 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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