

Press Release
Sumit Woods Limited
July 25, 2024



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	8.55	ACUITE BB+ Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	8.55	-	-

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**) on Rs. 8.55 crore bank facilities of Sumit Woods Limited. This rating is now an indicative rating and is based on best available information and is on account of information risk.

Rationale for Downgrade

The team had sent repeated reminders to the Company for latest information. However, despite multiple requests; the Company's management has not sent the required documents and are yet to submit the final latest documents for assigning the rating.

About the Company

Mumbai based SWL, was incorporated in 1997. The company is engaged in the construction of residential and commercial buildings across Mumbai and Goa since 1987. The promoters had started their business under the partnership firm named 'Sumit Constructions'. The company is listed on National Stock Exchange (NSE). Mitasu Developers is a 100 percent subsidiary of SWL. Further, the 3 joint ventures, namely Sumit Chetna Venture (SCV), Sumit Kundil Joint Venture (SKJV) and Sumit Pragati Shelters LLP (SPS) are under the same debt obligation. The Group has six ongoing projects -2 under its subsidiary - 'Mitasu Developers Private Limited' and 'Sumit Matunga Private Limited'(80 percent shareholding) and 4 under SWL. The group has executed over 57 projects since inception. The company is currently managed by Mr. Mitaram Ramlal Jangid.

Unsupported Rating

Not Applicable

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 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). 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 base.

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 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	180.46	101.59
PAT	Rs. Cr.	10.37	6.98
PAT Margin	(%)	5.74	6.87
Total Debt/Tangible Net Worth	Times	1.19	1.58
PBDIT/Interest	Times	1.78	1.64

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>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Real Estate Entities: <https://www.acuite.in/view-rating-criteria-63.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité'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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
04 May 2023	Term Loan	Long Term	8.55	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
03 Feb 2022	Term Loan	Long Term	8.55	ACUITE BBB- Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
ICICI Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	8.55	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)

Contacts

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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.

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