

**Press Release**  
**SPK And Co**  
**April 10, 2024**



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

| Product                            | Quantum (Rs. Cr) | Long Term Rating                                   | Short Term Rating                                  |
|------------------------------------|------------------|--|--|
| Bank Loan Ratings                  | 150.00           | ACUITE BB+   Downgraded   Issuer not co-operating* | -  |
| Bank Loan Ratings                  | 250.00           | -  | ACUITE A4+   Downgraded   Issuer not co-operating* |
| Total Outstanding Quantum (Rs. Cr) | 400.00           | -  | -  |

**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 plus**) and short-term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A2**' (read as **ACUITE A two**) to the Rs.400.00 Cr. bank facilities of SPK and Co(SPK).

This rating is downgraded and flagged as issuer not cooperating on account of information risk and is based on best available information.

**About the Company**

SPK is a Madurai (Tamil Nadu) based partnership firm established in 2010. SPK is promoted by Mr. S. Nagarajan, Mr. S Balasubramani, Mr. S Pathinettampadi Karuppasamy, Mr. S Eswaran and Mrs. S Nagarathinam. SPK undertakes Infrastructure Works, primarily construction and maintenance of roads in Tamil Nadu. It registered as a Class-1 contractor Tamil Nadu State Government department.

**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 noncooperation 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 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 endeavored 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 (Actual) | FY 22 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income              | Rs. Cr. | 432.46         | 493.17         |
| PAT                           | Rs. Cr. | 30.03          | 51.31          |
| PAT Margin                    | (%)     | 6.94           | 10.40          |
| Total Debt/Tangible Net Worth | Times   | 0.10           | 0.12           |
| PBDIT/Interest                | Times   | 21.12          | 27.27          |

### 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>
- Rating Process and Timeline: <https://www.acuite.in/view-rating-criteria-67.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                      |
|-------------|------------------------------------|------------|-----------------|-------------------------------------|
| 11 Jan 2023 | Secured Overdraft                  | Long Term  | 80.00           | ACUITE BBB+   Positive (Reaffirmed) |
|             | Proposed Long Term Bank Facility   | Long Term  | 70.00           | ACUITE BBB+   Positive (Reaffirmed) |
|             | Bank Guarantee (BLR)               | Short Term | 100.00          | ACUITE A2 (Reaffirmed)              |
|             | Proposed Short Term Bank Facility  | Short Term | 150.00          | ACUITE A2 (Reaffirmed)              |
| 18 Oct 2021 | Bank Guarantee (BLR)               | Short Term | 28.65           | ACUITE A2 (Reaffirmed & Withdrawn)  |
|             | Proposed Short Term Bank Facility  | Short Term | 150.00          | ACUITE A2 (Reaffirmed)              |
|             | Bank Guarantee/Letter of Guarantee | Short Term | 100.00          | ACUITE A2 (Reaffirmed)              |
|             | Proposed Long Term Bank Facility   | Long Term  | 70.00           | ACUITE BBB+   Positive (Reaffirmed) |
|             | Secured Overdraft                  | Long Term  | 80.00           | ACUITE BBB+   Positive (Reaffirmed) |

## Annexure - Details of instruments rated

| Lender's Name                    | ISIN                 | Facilities                        | Date Of Issuance     | Coupon Rate          | Maturity Date        | Complexity Level | Quantum (Rs. Cr.) | Rating   |
|----------------------------------|----------------------|-----------------------------------|----------------------|----------------------|----------------------|------------------|-------------------|--|
| Tamilnad Mercantile Bank Limited | Not avl. / Not appl. | Bank Guarantee (BLR)              | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple           | 100.00            | ACUITE A4+<br> <br>Downgraded<br>  Issuer not co-operating* (from ACUITE A2)   |
| Not Applicable                   | Not avl. / Not appl. | Proposed Long Term Bank Facility  | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple           | 70.00             | ACUITE BB+<br> <br>Downgraded<br>  Issuer not co-operating* (from ACUITE BBB+) |
| Not Applicable                   | Not avl. / Not appl. | Proposed Short Term Bank Facility | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple           | 150.00            | ACUITE A4+<br> <br>Downgraded<br>  Issuer not co-operating* (from ACUITE A2)   |
| Tamilnad Mercantile Bank Limited | Not avl. / Not appl. | Secured Overdraft                 | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple           | 80.00             | ACUITE BB+<br> <br>Downgraded<br>  Issuer not co-operating* (from ACUITE BBB+) |

## Contacts

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|--|--|
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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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