



Press Release

SSS HITECH CONSTRUCTIONS PRIVATE LIMITED

July 07, 2023

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	12.00	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	25.77	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	37.77	-	-

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 the Rs.37.77 Cr bank facilities of SSS HITECH CONSTRUCTIONS PRIVATE LIMITED (SSS Hitech or Company). This rating is now an indicative rating and is based on the best available information. The rating has been downgraded on account of information risk.

About the Company

SSS Hi-Tech Constructions Private Limited was initially established in 2009, as a partnership under the name of SSS Constructions promoted by Mr. Natesan Srinivasan and his family members; it was reconstituted as a private limited company in 2012. The company is engaged in civil construction activities like construction of Buildings, and other civil construction activities mainly in Tamilnadu. The company majorly works for the government entities such as Public Works Department (PWD) Tamilnadu, Puducherry and Andhra Pradesh. The operations of the company are currently headed by Mr. Natesan Srinivasan and Mrs. Sreedevi.

Non-cooperation by the issuer/borrower

Acuité 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. Acuité has also 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 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 Acuité'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 has 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.

Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon

Material Covenants

None

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon

Outlook: Not applicable

Key Financials

Particulars	Unit	FY 21 (Actual)	FY 20 (Actual)
Operating Income	Rs. Cr.	87.44	81.46
PAT	Rs. Cr.	4.21	3.57
PAT Margin	(%)	4.81	4.38
Total Debt/Tangible Net Worth	Times	0.54	0.14
PBDIT/Interest	Times	4.92	5.04

Status of non-cooperation with previous CRA

None

Any other information

Acuité is not in receipt of the "No Default Statement (NDS)" since April 2023

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria53.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, Acuité 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

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
12 May 2022	Proposed Bank Facility	Short Term	0.77	ACUITE A3+ (Assigned)
	Proposed Cash Credit	Long Term	4.00	ACUITE BBB- Stable (Assigned)
	Bank Guarantee	Short Term	19.00	ACUITE A3 (Assigned)
	Proposed Bank Guarantee	Short Term	6.00	ACUITE A3 (Assigned)
	Cash Credit	Long Term	8.00	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	
State Bank of India	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	19.00	AC Dov I cc
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	8.00	AC Dov I cc
Not Applicable	Not Applicable	Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	6.00	AC Dov I cc
Not Applicable	Not Applicable	Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	4.00	AC Dov I cc
Not Applicable	Not Applicable	Proposed Short Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	0.77	AC Dov I cc

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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