



Press Release
SRM Contractors Private Limited
November 04, 2024
Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	4.00	ACUITE BB Downgraded Issuer not co-operating*	-
Bank Loan Ratings	51.00	-	ACUITE A4+ Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	55.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-
* The issuer did not co-operate; based on best available information.			

Rating Rationale

Acuite has downgraded the long-term rating to ‘**ACUITE BB**’ (read as **ACUITE double Bf**) from ‘**ACUITE BB+**’ (read as **ACUITE double B plus**) and reaffirmed the short-term rating of ‘**ACUITE A4+**’ (read as **ACUITE A four plus**) on the Rs. 55.00 crore bank facilities of SRM Contractors Private Limited on account of information risk. The rating continues to be flagged as “Issuer Not-Cooperating” and is based on the best available information.

About the Company

SRM Contractors Private Limited is a Jammu-based company was incorporated in September 2008. The company is engaged in Infrastructural projects such as roads, bridges, canals, dams, tunnels and small hydro projects. The company has in past executed various work orders for both Private and Government clients. The company is managed by Mr. Sanjay Mehta (Managing Director), who has 18 years of experience in Administration, Manufacturing & construction field. Vinod Kohli has more than 38 years of experience in execution of civil projects especially in Irrigation & flood control, tunnels and hydropower. Mr. Vikas Vaid has more than 20 years of experience in project planning and execution.

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 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 endeavored 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 ratings is based.

Rating Sensitivity

"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.	342.42	300.29
PAT	Rs. Cr.	22.17	19.16
PAT Margin	(%)	6.48	6.38
Total Debt/Tangible Net Worth	Times	0.38	0.74
PBDIT/Interest	Times	7.81	6.74

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
07 Aug 2023	Cash Credit	Long Term	1.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
	Secured Overdraft	Long Term	3.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
	Bank Guarantee (BLR)	Short Term	41.50	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3+)
	Bank Guarantee (BLR)	Short Term	9.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3+)
	Proposed Bank Guarantee	Short Term	0.50	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3+)
27 Jun 2022	Cash Credit	Long Term	1.00	ACUITE BBB Stable (Assigned)
	Secured Overdraft	Long Term	3.00	ACUITE BBB Stable (Assigned)
	Proposed Bank Guarantee	Short Term	0.50	ACUITE A3+ (Assigned)
	Bank Guarantee (BLR)	Short Term	9.00	ACUITE A3+ (Assigned)
	Bank Guarantee (BLR)	Short Term	41.50	ACUITE A3+ (Assigned)

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Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
HDFC Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	41.50	Simple	ACUITE A4+ Reaffirmed Issuer not co-operating*
J&K Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.00	Simple	ACUITE A4+ Reaffirmed Issuer not co-operating*
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)
Not Applicable	Not avl. / Not appl.	Proposed Bank Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.50	Simple	ACUITE A4+ Reaffirmed Issuer not co-operating*
J&K Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.00	Simple	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)

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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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