

## Press Release

### SRS Finance Limited (SFL)

September 10, 2018



### Rating Reaffirmed

<b>Total Facilities Rated*</b>	Rs. 75.00 Cr.
<b>Long Term Rating</b>	ACUITE D (Reaffirmed)

\*Refer Annexure for detail

### Rating Rationale

Acuité has reaffirmed the long term rating of '**ACUITE D**' (read as **ACUITE D**) on the Rs.75.00 Cr bank facilities of SRS Finance Limited (SFL).

### About the company

SRS, incorporated in 1994, is a Non-Banking Finance Company (NBFC) registered with the Reserve Bank of India. The company is part of the SRS Group which has interests in cinemas, real estate, retail goods and jewellery.

The rating reaffirmation reflects continued delays in debt servicing by the company on account of its stretched liquidity profile, deteriorating asset quality and weak capitalisation levels.

### Key rating drivers

#### Strengths

#### Experienced promoters

SRS was promoted by Mr. Bishan Bansal, Mr. Naresh Goyal, Mr. Deepal Garg and others with substantial experience in the NBFC segment.

### Weaknesses

#### Delay in debt servicing obligations and stretched liquidity position

The rating reflects delays in debt servicing by SFL. The company has been classified as a Non-Performing Asset by the bankers on account of continued overdrawing in the Cash Credit account.

### Applicable Criteria

- Non-Banking Finance Entities - <https://www.acuite.in/view-rating-criteria-14.htm>
- Application of Financial Ratios and Adjustments: <https://www.acuite.in/view-rating-criteria-20.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-17.htm>

### Analytical Approach

Acuité has considered the standalone business and financial risk profiles of MSPL.

### About the Rated Entity - Key Financials

The company reported Loss of Rs. 1.50 Cr during FY17 on operating income of Rs. 1.80 crore against PAT of Rs. 3.33 crore in FY16 on operating income of Rs. 52.94 crore for the same period.

**Status of non-cooperation with previous CRA (if applicable)**

None

**Any other information**

None

**Applicable Criteria**

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Manufacturing Entities- <https://www.acuite.in/view-rating-criteria-4.htm>

**Note on complexity levels of the rated instrument**

<https://www.acuite.in/criteria-complexity-levels.htm>

**Rating History (Upto last three years)**

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
18-Jul-17	Cash Credit	Long Term	75.00	ACUITE D (Reaffirmed)
22-Jun-16	Cash Credit	Long Term	75.00	ACUITE D (Downgraded from ACUITE BBB-/Stable)
3-May-15	Cash Credit	Long Term	75.00	ACUITE BBB- /Stable (Upgraded from ACUITE BB+/ Stable)
06-Jun-14	Cash Credit	Long Term	75.00	ACUITE BB+/ Stable (Upgraded from ACUITE BB/ Stable)
11-Jun-13	Cash Credit	Long Term	25.00	ACUITE BB/ Stable (Assigned)

**\*Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Rating/ Outlook
Cash Credit	NA	NA	NA	75.00	ACUITE D (Reaffirmed)

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**About Acuité Ratings & Research:**

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