



Press Release

S M Niryat Private Limited (SMNPL)

March 18, 2024

Ratings:

Instrument / Facility	Amount (INR Crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	85.00	IVR BBB+/ Negative; ISSUER NOT COOPERATING * (IVR Triple B Plus with Negative Outlook; Issuer Not Cooperating) *	Rating downgraded and moved to Issuer Not Cooperating category	Simple
Short Term Bank Facilities	100.00	IVR A2; ISSUER NOT COOPERATING * (IVR A Two; Issuer Not Cooperating) *	Rating downgraded and moved to Issuer Not Cooperating category	Simple
Long Term / Short Term Bank Facilities	40.00	IVR BBB+/ Negative; ISSUER NOT COOPERATING * / IVR A2; ISSUER NOT COOPERATING * (IVR Triple B Plus with Negative Outlook; Issuer Not Cooperating / IVR A Two; Issuer Not Cooperating) *	Rating downgraded and moved to Issuer Not Cooperating category	Simple
Total	225.00 (Rupees Two Hundred Twenty Five crore only)			

**Issuer did not cooperate; based on best available information*

Details of Facility are in Annexure 1

Detailed Rationale

Infomerics has downgraded the ratings of SMNPL due to lack of adequate information available, non-payment of annual surveillance fees and the uncertainty around its credit risk.



Press Release

Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide mail communications November 1, 2023, December 14, 2023 and January 8, 2024, January 25, 2024, January 29, 2024, February 27, 2024, March 1, 2024 and March 7, 2024, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted some of the essential details.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the ratings for the bank facilities of SMNPL aggregating Rs.225.00 crore has been downgraded and moved to 'ISSUER NOT COOPERATING' to IVR BBB+/ Negative; ISSUER NOT COOPERATING / IVR A2; ISSUER NOT COOPERATING category by Infomerics.

Analytical Approach: Standalone

Applicable Criteria:

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Rating methodology for Trading Companies](#)

[Criteria of Rating Outlook](#)

[Policy of default recognition](#)

About the Company

SMNPL was started as a partnership firm in 2004 and later converted into a company in 2005 named SM Niryat Private Limited. It used to operate as a goods transport enterprise for minerals such as iron ore – fines, pellets, lumps, manganese and other minerals of various



Press Release

grades, coal etc. The company gradually started import and export of scrap metal. The trading activities are managed from Haldia Port, Vizag Port and Paradeep Port. SMNPL is promoted by Mr. Manish Khemka, who is also the Chairman of the company. Mr. Suraj Kumar Singh is the other director in the company.

Financials (Standalone):

(Rs. crore)

For the year ended/* As On	31-03-2021	31-03-2022
	(Audited)	(Audited)
Total Operating Income	4307.93	2019.33
EBITDA	456.53	173.07
PAT	340.67	119.43
Total Debt	106.81	135.94
Tangible Net-worth	460.70	581.23
Ratios:		
EBITDA Margin (%)	11.19	16.14
PAT Margin (%)	11.15	2.59
Overall Gearing Ratio (x)	0.49	0.66

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

S. No	Name of Instrument/Facilities	Current Rating (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
1.	Cash Credit	Long Term	85.00	IVR BBB+/- Negative; Issuer Not Cooperating *	IVR A-/- Negative	<ul style="list-style-type: none"> IVR A-/- Negative (March 10, 2022) IVR A-/- Stable (April 1, 2021) 	-
2.	Letter of Credit	Short Term	55.00	IVR A2; Issuer Not Cooperating *	IVR A2+	-	-
3.	Inland Bill Negotiation	Short Term	25.00	IVR A2; Issuer Not Cooperating *	IVR A2+	-	-



Press Release

4.	Export Packaging Credit	Short Term	15.00	IVR A2; Issuer Not Cooperating *	IVR A2+	-	-
5.	Post Shipment Credit	Short Term	5.00	IVR A2; Issuer Not Cooperating *	IVR A2+	-	-
6.	Proposed cash credit / export packing credit	Long Term / Short Term	40.00	IVR BBB+/ Negative; Issuer Not Cooperating * / IVR A2; Issuer Not Cooperating *	IVR A-/ Negative / IVR A2+	-	-
7.	Export packing credit	Long Term	-	-	-	IVR A-/ Negative (March 10, 2022)	-
8.	CC/PCFC/E PC	Long Term	-	-	-	<ul style="list-style-type: none"> IVR A-/ Negative (March 10, 2022) IVR A-/ Negative (February 21, 2022) 	-
9.	PSC	Long Term	-	-	-	IVR A-/ Negative (March 10, 2022)	-
10.	Proposed CC/EPC	Long Term	-	-	-	IVR A-/ Negative (March 10, 2022)	-
11.	Proposed Working capital	Short Term	-	-	-	<ul style="list-style-type: none"> IVR A2+ (March 10, 2022) IVR A2+ (February 21, 2022) IVR A2+ (April 1, 2021) 	-
12.	CC/EPC	Long Term	-	-	-	IVR A-/ Negative (February 21, 2022)	-
13.	EPC/PCFC	Long Term	-	-	-	IVR A-/ Stable (April 1, 2021)	-

**Issuer did not cooperate; based on best available information*

Name and Contact Details of the Rating Analyst:



Press Release

Name: Amey Joshi

Tel: (022) 62396023

Email: amey.joshi@infomerics.com

About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Instruments / Facilities



Press Release

Name of Instruments / Facilities	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	85.00	IVR BBB+/ Negative; Issuer Not Cooperating *
Letter of Credit	-	-	-	55.00	IVR A2; Issuer Not Cooperating *
Inland Bill Negotiation	-	-	-	25.00	IVR A2; Issuer Not Cooperating *
Export Packaging Credit	-	-	-	15.00	IVR A2; Issuer Not Cooperating *
Post Shipment Credit	-	-	-	5.00	IVR A2; Issuer Not Cooperating *
Proposed cash credit / export packing credit	-	-	-	40.00	IVR BBB+/ Negative; Issuer Not Cooperating * / IVR A2; Issuer Not Cooperating *

* Issuer did not cooperate; based on best available information

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details: Not Available

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.