



## Press Release

### SPG Infraprojects Private Limited

**September 21, 2023**

#### Ratings

Instrument / Facility*	Amount (Rs. crore)	Previous Ratings	Current Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	49.00	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	IVR BB+/Negative/ INC (IVR Double B Plus; with Negative Outlook / ISSUER NOT CO-OPERATING)	Downgraded and Migrated to ISSUER NOT CO-OPERATING*	Simple
Short Term Bank Facilities	3.00	IVR A3+ (IVR A Three Plus)	IVR A4+/INC (IVR Single A Four Plus/ISSUER NOT CO-OPERATING)	Downgraded and Migrated to ISSUER NOT CO-OPERATING*	Simple
<b>Total</b>	<b>52.0</b>	<b>Rupees Fifty Two Crore Only</b>			

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

\*\* Details of facilities is given in Annexure-I

#### Ratings

The rating has been downgraded and migrated to 'ISSUER NOT COOPERATING' category due to non-submission of information and lack of management co-operation.

#### Detailed Rationale

The rating revision is because of lack of adequate information regarding SPG Infraprojects Private Limited (SIPL) performance and hence the uncertainty around its credit risk. Infomerics Valuation and Rating Private Limited (IVR) assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy.

IVR had rated the bank loan facilities of SPG Infraprojects Private Limited in July 2022. Despite close follow up through telephone calls and mails dated 10<sup>th</sup> September 2023, 15<sup>th</sup> September 2023 and 19<sup>th</sup> September 2023 and concurrently over several phone calls for submission required information for review and failure to submit minimum required information for a review is considered as an act of non-cooperation. In the absence of adequate information from the company, IVR is unable to assess the society's financial performance and its ability to service its debt and maintain a valid rating. The client has submitted NDS till August 2023. Accordingly, the lenders, investors and other users of this



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rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the society. Based upon the same, Infomerics Ratings (IVR) has downgraded and migrated the rating to IVR BB+/Negative/ A4+ under ISSUER NOT COOPERATING.

### **Non-cooperation by Issuer**

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 long-term ratings for the bank loan facilities of SPG Infraprojects Private Limited aggregating to Rs. 52.00 crore have been downgraded and migrated to 'ISSUER NOT COOPERATING' category by Infomerics and the rating for long term and short-term rating be noted as IVR BB+/Negative/A4+; ISSUER NOT CO-OPERATING; based on best available information.

**Analytical Approach:** For arriving at the ratings, IVR has analysed SIPL's credit profile by considering the standalone financial statements of the company.

### **Applicable Criteria**

[Rating Methodology for Infrastructure Companies](#)

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

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

[Criteria for Assigning Rating Outlook](#)

### **About the company**

SPG Infraprojects Private Limited (SIPL) was originally established as a partnership concern (M/s Shirpal Goel) in the year 1962 to carry out various civil construction contracts and later in 2012, the partnership concern was taken over in continuity by SIPL. It is currently managed by directors namely Mr. Ashok Kumar Goel, Mr. Varun Goel, Mr. Kunal Jain, Mr. Mukul Jain and Mr. Rahul Chauhan. The company is engaged in the construction of civil, electrical, commercial, road and railway development projects for both private organizations and government departments. It currently operates in Delhi, Uttar Pradesh, Maharashtra, Rajasthan, Haryana and Uttarakhand.

### **Financials (Standalone):**



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(Rs. crore)

For the year ended as on	31-03-2021	31-03-2022
	<b>Audited</b>	<b>Provisional</b>
Total Operating Income	94.43	170.49
EBITDA	6.82	12.11
PAT	2.51	6.03
Total Debt	24.43	48.32
Tangible Networth	37.25	43.29
EBITDA Margin (%)	7.22	7.10
PAT Margin (%)	2.64	3.52
Overall Gearing Ratio (x)	0.42	0.43

**Status of non-cooperation with previous CRA:** The rating is under ISSUER NOT COOPERATING category with Brickwork Ratings via press release dated 23<sup>rd</sup> June 2023 and ACUITE ratings via press release dated 18<sup>th</sup> October 2022.

**Any other information:** Not Applicable

### Rating History for last three years:

Sr. No.	Type of Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Tenure	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 18 July 2022	Date(s) & Rating(s) assigned in 2021-22 02	Date(s) & Rating(s) assigned in 2020-21
1.	Fund Based	Long Term	5.00	IVR BB+/Negative/INC (IVR Double B Plus with Negative outlook, ISSUER NOT CO-OPERATING) Downgraded and	IVR BBB/Stable	-	-



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Sr. No.	Type of Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Tenure	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 18 July 2022	Date(s) & Rating(s) assigned in 2021-22 02	Date(s) & Rating(s) assigned in 2020-21
				Migrated			
2.	Non Fund Based	Long Term	44.00	IVR BB+/Negative/INC (IVR Double B Plus with Negative outlook, ISSUER NOT CO-OPERATING) Downgraded and Migrated	IVR BBB/Stable		
3.	Fund Based	Short Term	3.00	IVR A4+/INC (IVR A Four Plus, ISSUER NOT CO-OPERATING) Downgraded and Migrated	IVR A3+		

### Name and Contact Details of the Rating Analyst:

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### 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.

**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 Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Overdraft	-	-	-	3.00	IVR A4+/INC
Bank Guarantee*	-	-	-	44.00	IVR BB+/Negative/I NC
Cash Credit	-	-	-	5.00	IVR BB+/Negative/I NC

\*BG Tenor is more than 12 months.



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

**Annexure 3: Facility wise lender details**

<https://www.infomerics.com/admin/prfiles/len-SPG-sep23.pdf>

**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 [Complexity Level of Rated Instruments/Facilities](#).