



Press Release

Shri Swami Samarth Engineers Limited (SSSEL)

September 26, 2023

Ratings

Instrument / Facility	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long Term Fund Based Bank Facilities – Cash Credit	30.00	IVR BB+ / Negative; ISSUER NOT COOPERATING* (IVR Double B Plus with Negative Outlook; ISSUER NOT COOPERATING*)	Revised and moved to ISSUER NOT COOPERATING category	Simple
Short Term Non-Fund Based Bank Facilities – Bank Guarantee	30.00	IVR A4+; ISSUER NOT COOPERATING* (IVR A4 Plus; ISSUER NOT COOPERATING*)	Revised and moved to ISSUER NOT COOPERATING category	Simple
Total	60.00	(Rupees Sixty Crore Only)		

* Issuer did not cooperate; Based on best available information

Details of Facilities are in Annexure 1

Detailed Rationale

The revision in the ratings assigned to the bank facilities of Shri Swami Samarth Engineers Limited (SSSEL) reflects lack of adequate information available, non-payment of annual surveillance fees and the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

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

Non-cooperation by Issuer



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Infomerics has been regularly following up with the company to provide the required data, results to monitor its assigned rating to the bank facilities, vide E-mail communications dated June 29, 2023, July 24, 2023, August 29, 2023 and September 08, 2023 and also concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details required for monitoring the ratings. 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 SSSEL aggregating to Rs.60.00 crore has been moved under the 'ISSUER NOT COOPERATING' category by Infomerics.

Analytical Approach: Standalone

Applicable Criteria:

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

[Criteria of assigning Rating outlook](#)

[Rating Methodology for Infrastructure Companies](#)

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

About the Company

Established as a partnership firm in 1994 by the Mane family, Shri Swami Samarth Engineers was later converted into a public limited company in 2019 and renamed as SSSEL. The company is a Class-IA contractor registered with the Government of Maharashtra, and is engaged in civil construction in the form of EPC of roads and irrigation majorly in Maharashtra, followed by Karnataka and Manipur. The clientele of the company comprises National Highway Authority of India (NHAI), Maharashtra State Road Development Corporation Limited (MSRDC), Amravati Irrigation Division, Akola Irrigation Division, National Highways and Infrastructure Development Corporation (NHIDCL), various other irrigation divisions & water supply departments, Pandharpur Municipal Council, Ministry of road Transport & Highways, etc.



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Financials (Standalone)*:

(Rs. Crore)

For the year ended / As on	31-Mar-2021 (Audited)	31-Mar-2022 (Provisional)
Total Operating Income	280.67	241.42
EBITDA	40.40	40.94
PAT	14.97	14.66
Total Debt	127.11	158.19
Tangible Net worth	195.52	209.81
<u>Ratios</u>		
EBITDA Margin	14.40	16.96
PAT Margin	5.33	6.06
Overall Gearing Ratio	0.65	0.75

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA:

CARE Ratings has continued to classify the rating of SSSEL under "ISSUER NOT COOPERATING" category as CARE BB- (ISSUER NOT COOPERATING) vide its Press Release dated May 16, 2023 due to lack of adequate information to carry out a review.

Brickwork Ratings has also continued to classify the rating of SSSEL under "ISSUER NOT COOPERATING" category as BWR B/ Stable (ISSUER NOT COOPERATING) vide its Press Release dated November 03, 2022 due to non-availability of requisite information to carry out a review.

Any other information: None



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Rating History for last three years:

Sr. No.	Name of Instrument /Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. 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
					July 06, 2022	April 07, 2021	
1.	Long Term Fund Based Bank Facilities – Cash Credit	Long Term	30.00	IVR BB+/ Negative; INC*	IVR BBB/ Stable	IVR BBB/ RWDI#	--
2.	Short Term Non-Fund Based Bank Facilities – Bank Guarantee	Short Term	30.00	IVR A4+; INC*	IVR A3+	IVR A3+/ RWDI#	--

* Issuer did not cooperate; Based on best available information

Rating Watch with Developing Implications

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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.



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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 Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	--	--	--	30.00	IVR BB+ / Negative; ISSUER NOT COOPERATING*
Bank Guarantee	--	--	--	30.00	IVR A4+; 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 Applicable

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.