

January 29, 2024

Sms Constructions: Continues to remain under issuer non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	3.00	3.00	[ICRA]B(Stable); ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
Long Term-Non Fund Based- Others	3.00	3.00	[ICRA]B(Stable); ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
Long Term-Unallocated	4.00	4.00	[ICRA]B(Stable); ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
Total	10.00	10.00	

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

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has kept the Long-term rating for the bank facilities of Sms Constructions in the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]B(Stable); ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with Sms Constructions, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities, Key Financial Indicator: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology Rating Methodology - Construction
Parent/Group Support	Not Applicable
Consolidation/Standalone	Standalone

About the company

SMS Constructions (SMS) is a Bangalore based partnership firm incorporated in February 2013 that is engaged in the business of civil and electrical contracts for KPTCL. The promoter is registered as Class I electrical contractor by the PWD, Karnataka. SC's areas of operations include erection and commissioning of HT & LT substations, transmission lines, internal & external electrification and underground cabling works in South Karnataka districts. The firm has executed one project till date which was completed in January 2016. The promoter, Mr. Umesh Gowda who has been in this business for nearly past two decades through a proprietorship firm, M/s Lekhashree Electricals whose operations were wound up after the formation of SMS Constructions.

Status of non-cooperation with previous CRA:

CRA	Status	Date of Release
Brickworks	BWR C/BWR A4, ISSUER NOT COOPERATING	August 04, 2023

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2024)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. Crore)	Amount Outstandi ng (Rs. Crore)	Date & Rating in	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021	
					29-January-2024	24-November- 2022	18-October-2021	14-Auguat-2020	
1	Cash Credit	Long Term	3.00	-	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING	
2	Non-Fund Based	Long Term	3.00	-	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING	
3	Unallocated	Long Term	4.00	-	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING	

Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple
Non-Fund Based	Very Simple
Unallocated	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	3.00	[ICRA]B(Stable); ISSUER NOT COOPERATING
NA	Non-Fund Based	-	-	-	3.00	[ICRA]B(Stable); ISSUER NOT COOPERATING
NA	Term Loan	-	-	-	4.00	[ICRA]B(Stable); ISSUER NOT COOPERATING

Source: Sms Constructions

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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