

March 27, 2024

## Som Projects Pvt. Ltd.: Rating Moved to Issuer Non-Cooperating Category

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based - Cash credit	31.30	31.30	[ICRA]BBB(Stable); ISSUER NOT COOPERATING*; Rating moved to Issuer Not Cooperating category
Long-term – Fund-based - Term loan	3.60	3.60	[ICRA]BBB(Stable); ISSUER NOT COOPERATING*; Rating moved to Issuer Not Cooperating category
Short term – Non-fund based - Bank guarantee	173.95	173.95	[ICRA]A3+; ISSUER NOT COOPERATING*; Rating moved to Issuer Not Cooperating category
Long-term/ Short-term – Unallocated	16.15	16.15	[ICRA]BBB(Stable)/[ICRA]A3+; ISSUER NOT COOPERATING*; Rating moved to Issuer Not Cooperating category
<b>Total</b>	<b>225.00</b>	<b>225.00</b>	

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

<sup>^</sup>Instrument details are provided in Annexure-1

### Rationale

As part of its process and in accordance with its rating agreement with **Som Projects Pvt. Ltd.**, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, complete information has not been received. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity 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 and Rating sensitivities : [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	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Rating Methodology - Construction</a> <a href="#">Policy in respect of non-cooperation by the rated entity</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	Consolidated

### About the company

Incorporated in 2005, SPPL is promoted by Mr. Som Prakash Garg and Mr. Sanjay Goyal. The company began its operations primarily by undertaking tenders floated by Ludhiana Cantonment, MES. Thereafter, it started bidding for projects by MES in Punjab and gradually across the country. Since then, it has executed development projects such as schools, hospitals, roads, residential flats, office buildings and bridges. At present, SPPL is enlisted with various Central and state government departments.

## Key financial indicators (audited)

	FY2022	FY2023
Operating income	296.1	347.7
PAT	14.7	17.2
OPBDIT/OI	9.4%	9.2%
PAT/OI	5.0%	5.0%
Total outside liabilities/Tangible net worth (times)	0.9	1.3
Total debt/OPBDIT (times)	1.8	2.5
Interest coverage (times)	5.9	4.4

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

## Status of non-cooperation with previous CRA:

CRA Name	Status	Date of Release
CRISIL	CRISIL B (Stable)/A4 (ISSUER NOT COOPERATING)	January 18, 2024

Any other information: None

## Rating history for past three years

Instrument	Type	Current Rating (FY2024)		Chronology of Rating History for the Past 3 Years			
		Amount Rated (Rs. crore)	Amount Outstanding as on Sep 30, 2022 (Rs. crore)	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021
				Mar 27, 2024	Dec 02, 2022	Sep 29, 2021	July 21, 2020
1 Fund-based - Cash credit	Long-term	31.30	-	[ICRA]BBB(Stable); ISSUER NOT COOPERATING	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
2 Non-fund based - BG	Short-term	173.95	-	[ICRA]A3+; ISSUER NOT COOPERATING	[ICRA]A3+	[ICRA]A3+	[ICRA]A3+
3 Term loan	Long-term	3.60	3.27	[ICRA]BBB(Stable); ISSUER NOT COOPERATING	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	-
4 Unallocated	Long/Short term	16.15	-	[ICRA]BBB(Stable)/[ICRA]A3+; ISSUER NOT COOPERATING	[ICRA]BBB (Stable)/[ICRA] A3+	[ICRA]BBB (Stable)/[ICRA] A3+	[ICRA] BBB (Stable)/[ICRA] A3+

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term – Fund-based - Cash credit	Simple
Long-term – Fund-based - Term loan	Simple
Short term – Non-fund based - Bank guarantee	Very Simple
Long-term/ Short-term – 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-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Fund-based - Cash credit	-	-	-	31.30	[ICRA]BBB(Stable); ISSUER NOT COOPERATING
NA	Non-fund based – Bank guarantee	-	-	-	173.95	[ICRA]A3+; ISSUER NOT COOPERATING
NA	Term loan	March 2021	-	March 2026	3.60	[ICRA]BBB(Stable); ISSUER NOT COOPERATING
NA	Unallocated	-	-	-	16.15	[ICRA]BBB(Stable)/ [ICRA]A3+; ISSUER NOT COOPERATING

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

#### Annexure-II: List of entities considered for consolidated analysis

Company Name	SPPL Ownership	Consolidation Approach
Som Projects UK Limited	100.00%	Full Consolidation
Som VCL JV	67.00%	Full Consolidation

Source: Company, ICRA Research

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