

March 27, 2024

Som Projects Pvt. Ltd.: Rating Moved to 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	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
Total	225.00	225.00	

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

[^]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	Corporate Credit Rating Methodology Rating Methodology - Construction Policy in respect of non-cooperation by the rated entity
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

ANALYST CONTACTS

Rajeshwar Burla
+91 40 6939 6443
rajeshwar.burla@icraindia.com

Ashish Modani
+91 20 6606 9912
ashish.modani@icraindia.com

Ritu Goswami
+91 124 4545 826
ritu.goswami@icraindia.com

Anuja Shah
+91 79 4027 1530
anuja.shah@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



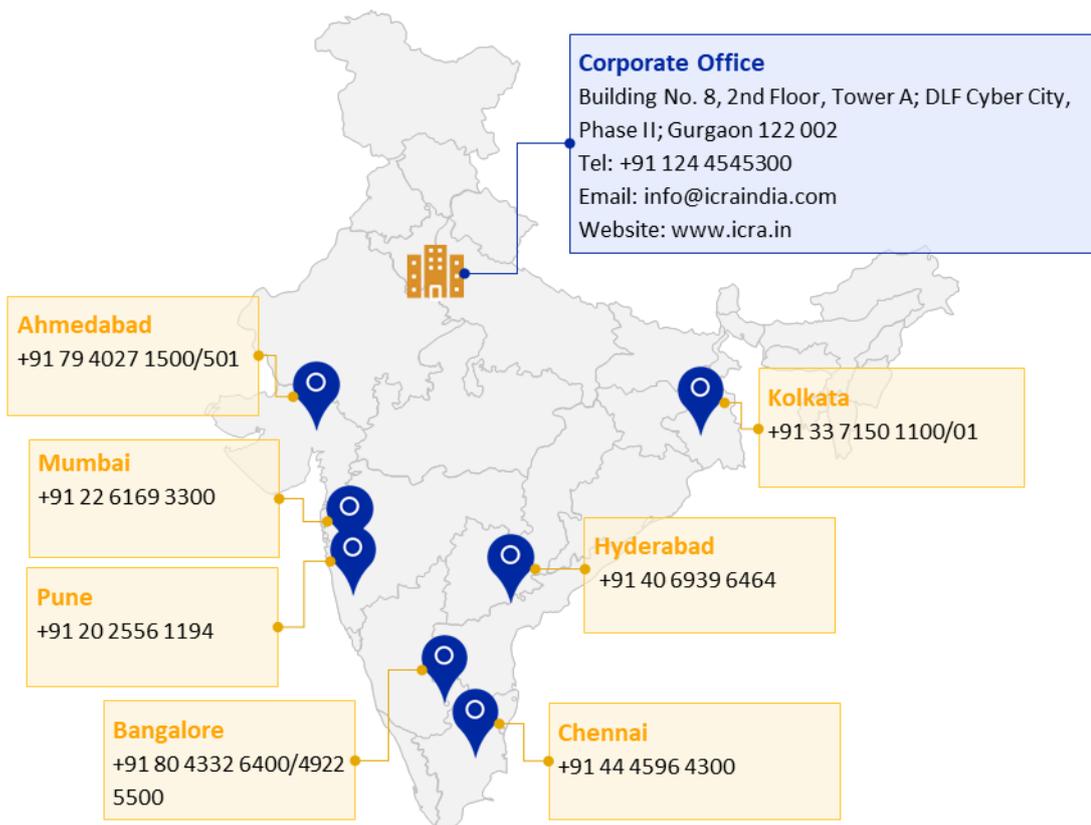
Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2024 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.