

Sharma Construction Company

July 10, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	5.00	CARE B-; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B; Stable
Short Term Bank Facilities	3.00	CARE A4; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1

*Issuer did not cooperate; based on best available information

Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated June 06, 2023, placed the rating(s) of Sharma Construction Company (SCC) under the 'issuer non-cooperating' category as SCC had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. SCC continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated April 21, 2024, May 01, 2024, May 11, 2024.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings assigned to the bank facilities of SCC have been revised on account of non-availability of requisite information.

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers:

Please refer to PR dated [June 06, 2023](#)

Applicable criteria

[Definition of Default](#)

[Policy in respect of non-cooperation by issuers](#)

[Rating Outlook and Rating Watch](#)

About the company

Sharma Construction Company (SCC) is a proprietorship firm established in 1990 by Mr. Naval Kishore Sharma. SCC is engaged in the civil construction work in Punjab, mainly including a road work project which includes construction, upgradation, resurfacing and widening of roads, bridges and minor engineering works. The firm is registered as a 'class A1' contractor with Bridge & Road Division (B&R), Municipal Corporation and Improvement Trust of Punjab.

Brief Financials (Rs. crore)	March 31, 2019 (A)	March 31, 2020 (A)
Total operating income	28.32	22.65
PBILDT	3.88	3.46
PAT	1.57	1.12
Overall gearing (times)	0.99	0.63
Interest coverage (times)	4.07	3.08

A: Audited; Note: 'the above results are latest financial results available'

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Status of non-cooperation with previous CRA: CRISIL has continued the rating assigned to the bank facilities of SCC into Issuer Not Cooperating category vide press release dated June 24, 2024 on account of its inability to carry out a review in the absence of requisite information.

India Ratings has continued the rating assigned to the bank facilities of SCC into Issuer Not Cooperating category vide press release dated July 24, 2023 on account of its inability to carry out a review in the absence of requisite information.

Any other information: Not Applicable

Rating history for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	5.00	CARE B-; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	3.00	CARE A4; ISSUER NOT COOPERATING*

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

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Cash Credit	LT	5.00	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (06-Jun-23)	1)CARE B+; Stable; ISSUER NOT COOPERATING* (06-Jun-22)	-
2	Non-fund-based - ST-Bank Guarantee	ST	3.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (06-Jun-23)	1)CARE A4; ISSUER NOT COOPERATING* (06-Jun-22)	-

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

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - ST-Bank Guarantee	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About us:

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