



Press Release

Nithin Sai Construction

July 10, 2024

Ratings

Security Facility /	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	15.00	IVR BB+; Negative; ISSUER NOT COOPERATING* (IVR Double B Plus with Negative outlook; ISSUER NOT COOPERATING)	IVR BBB-; Negative; ISSUER NOT COOPERATING* (IVR Triple B Minus with Negative outlook; ISSUER NOT COOPERATING)	Downgraded	Simple
Short Term Bank Facilities	170.00	IVR A4+; Issuer Not Cooperating* (IVR A Four Plus; ISSUER NOT COOPERATING)	IVR A3; Issuer Not Cooperating* (IVR A Three; ISSUER NOT COOPERATING)	Downgraded	Simple
Total	185.00 (Rupees one hundred and eighty-five crore only)				

*Issuer did not cooperate; based on best available information

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has downgraded the ratings assigned to the bank facilities of Nithin Sai Construction (NSC) because of continuous non-cooperation by the firm despite repeated follow ups and lack of adequate information leading to information availability risk and hence uncertainty around its credit risk. The outlook remains negative due to information availability risk. Infomerics Ratings assesses whether the information available about the firm is commensurate with its rating and reviews the same as per its policy.

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

Non-cooperation by Issuer



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Infomerics Ratings has been regularly following up with the firm to provide the required data to monitor its assigned rating to the bank facilities, vide E-mail communications dated June 27, 2024, July 01, 2024, July 04, 2024, and concurrently over several phone calls. However, despite repeated requests by Infomerics Ratings, the firm's management has not submitted all the essential details required for detailed review of the assigned ratings.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics Ratings has to assign the rating based on the best available information. Accordingly, the ratings assigned to the bank loan facilities aggregating to Rs.185.00 crore of Nithin Sai Construction shall be continued to remain under the 'ISSUER NOT COOPERATING' category and the long-term rating will be noted as IVR BB+; Negative; ISSUER NOT COOPERATING; Based on best available information (IVR Double B Plus with Negative outlook; Issuer Not Co-operating; Based on best available information) and the short-term rating will be noted as IVR A4+; ISSUER NOT COOPERATING; Based on best available information (IVR A Four Plus; Issuer Not Co-operating; Based on best available information). The outlook remained negative due to information availability risk.

Analytical Approach: Standalone

Applicable Criteria:

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

[Policy of default recognition](#)

[Criteria of assigning Rating outlook](#)

[Rating Methodology for infrastructure companies](#)

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

[Criteria on Complexity](#)

Liquidity: Unable to comment due to non-availability of information despite repeated follow ups.

About the Firm

Nithin Sai Construction (NSC) was established in the year 1995 as a construction aggregate supply proprietorship concern by Mr. Gonuguntla Suryanarayana. Later during February 2006, it was converted into a Partnership firm. In the year 2009, the firm expanded its business into civil construction as it is currently engaged in civil construction works like construction of Soler



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and Wind power projects, Asphalt paving, concrete paving, excavation, Telecom cables laying and electric transmission lines, construction of Bridges and flyovers and other EPC, Turnkey Projects. The firm renders its service to the states like Delhi, Tripura, and Karnataka and Andhra Pradesh.

Financials (Standalone): Latest Financial not available

(Rs. crore)

For the year ended/ As on*	31-03-2021	31-03-2022
	Audited	Audited
Total Operating Income	149.96	359.84
EBITDA	21.58	49.85
PAT	7.25	22.68
Total Debt	42.60	40.95
Tangible Net Worth	29.98	65.67
EBITDA Margin (%)	14.39	13.85
PAT Margin (%)	4.82	6.29
Overall Gearing Ratio (x)	1.42	0.62
Interest Coverage (x)	5.08	9.53

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2024-2025)			Rating History for the past 3 years			
		Type (Long Term/ Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23		Date(s) & Rating(s) assigned in 2021-22
					March 01, 2024	Feb 20, 2023	Apr 29, 2022	-
1.	Cash Credit	Long Term	15.00	IVR BB+; Negative; ISSUER NOT COOPERATING	IVR BBB-; Negative; ISSUER NOT COOPERATING	IVR BBB+; Stable	IVR BBB; Stable	-
2.	Bank Guarantee	Short Term	170.00	IVR A4+; ISSUER NOT COOPERATING	IVR A3; ISSUER NOT COOPERATING	IVR A2	IVR A3+	-

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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.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please 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: Instrument/Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – Cash Credit	-	-	-	-	15.00	IVR BB+; Negative; ISSUER NOT COOPERATING



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Short Term Bank Facilities – Bank Guarantee	-	-	-	-	170.00	IVR A4+; ISSUER NOT COOPERATING
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Annexure 2: Facility wise lender details: Not Available

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

Annexure 4: List of companies considered for consolidated/Combined analysis: 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.

