



Press Release

Shrushti Contech Private Limited

October 03 2022

Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities - Cash Credit	15.00	IVR BB+; Issuer Not Cooperating* (IVR Double B Plus; Issuer Not Cooperating*)	Revised from IVR BBB-; Credit Watch with Developing Implications (IVR Triple B Minus; Credit Watch with Developing Implications) and moved to ISSUER NOT COOPERATING category	Simple
Long Term Bank Facilities - Secured Overdraft Loan	5.00	IVR BB+; Issuer Not Cooperating* (IVR Double B Plus; Issuer Not Cooperating*)	Revised from IVR BBB-; Credit Watch with Developing Implications (IVR Triple B Minus; Credit Watch with Developing Implications) and moved to ISSUER NOT COOPERATING category	Simple
Proposed Long Term Bank Facilities - Cash Credit	5.00	IVR BB+; Issuer Not Cooperating* (IVR Double B Plus; Issuer Not Cooperating*)	Revised from IVR BBB-; Credit Watch with Developing Implications (IVR Triple B Minus; Credit Watch with Developing Implications) and moved to ISSUER NOT COOPERATING category	Simple
Short Term Bank Facilities - Letter of Credit	5.00	IVR A4+; Issuer Not Cooperating* (IVR A Four Plus; Issuer Not Cooperating*)	Revised from IVR A3; Credit Watch with Developing Implications (IVR A Three; Credit Watch with Developing Implications) and moved to ISSUER NOT COOPERATING category	Simple
Long Term /Short Term Bank Facilities – Bank Guarantee	35.64	IVR BB+/ IVR A4+; Issuer Not Cooperating* (IVR Double B Plus/ IVR A Four Plus; Issuer Not Cooperating*)	Revised from IVR BBB-/ IVR A3; Credit Watch with Developing Implications (IVR Triple B Minus/ IVR A Three; Credit Watch with Developing Implications) and moved to ISSUER NOT COOPERATING category	Simple
Proposed Long Term	26.97	IVR BB+/ IVR A4+; Issuer Not	Revised from IVR BBB-/ IVR A3; Credit Watch with	Simple



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Facilities	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
/ Short Term Bank Facilities – Bank Guarantee		Cooperating* (IVR Double B Plus/ IVR A Four Plus; Issuer Not Cooperating*)	Developing Implications (IVR Triple B Minus/ IVR A Three; Credit Watch with Developing Implications) and moved to ISSUER NOT COOPERATING category	
Total	92.61 (Rupees Ninety Two crore and Sixty One lakh only)			

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

Details of Facilities are in Annexure 1

Detailed Rationale

The revision in the ratings assigned to the bank facilities of Shrushti Contech Private Limited (SCPL) reflects lack of adequate information available and the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

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

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide mail communications dated July 11, 2022, July 19, 2022, July 27, 2022, August 3, 2022, September 13, 2022, September 16, 2022 and September 26, 2022, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the requested information for monitoring the rating.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to review the rating based on the best available information. Accordingly, the ratings for the bank facilities of SCPL aggregating Rs.92.61 crore has been moved to the 'ISSUER NOT COOPERATING' category by Infomerics.



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Analytical Approach: Consolidated

For arriving at the rating, Infomerics has combined the business and financial risk profiles of 2 companies SCPL and Sun Shrushti Private Limited (SSPL) together referred as Shrushti group, as they are in the same lines of business under a common management and have financial linkages and legal linkages as SSPL is the subsidiary of SCPL. SCPL has 90.90% stake in SSPL.

Applicable Criteria:

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

[Rating methodology for Infrastructure Companies](#)

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

[Criteria of assigning rating outlook](#)

[Rating criteria on consolidation of companies](#)

About the Company

SCPL was established as a firm under the name Shrushti Con Tech ('SCT', 'the firm') in 2002 by a team of engineers and economists. It was reconstituted as a private limited company in June 2013. The company is based out of Hyderabad and is into execution of EPC works. It is also into the manufacturing of pre-stressed concrete poles (PSCC) with an installed capacity of 1,90,800 poles per annum.

SSPL is the subsidiary of SCPL with an aim to provide sustainable, innovative, and cost-effective solutions across the entire solar power value chain.

Financials: Consolidated

(Rs. crore)

For the year ended/ As On*	31-03-2020 (Audited)	31-03-2021 (Provisional)
Total Operating Income	158.87	92.65
EBITDA	15.83	11.60
PAT	7.12	4.79
Total Debt	38.68	35.59
Tangible Net-worth	36.03	40.77
Ratios		
EBITDA Margin (%)	9.96	12.52
PAT Margin (%)	4.47	5.16
Overall Gearing Ratio (x)	0.66	0.56

*Classification as per Infomerics' standards



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Financials: Standalone (SCPL)

(Rs. crore)

For the year ended/ As On*	31-03-2020 (Audited)	31-03-2021 (Provisional)
Total Operating Income	140.28	90.83
EBITDA	15.15	11.53
PAT	6.63	4.75
Total Debt	27.32	32.72
Tangible Net-worth	34.72	39.47
Ratios		
EBITDA Margin (%)	10.80	12.69
PAT Margin (%)	4.71	5.22
Overall Gearing Ratio (x)	0.48	0.52

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Not applicable

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-22 (August 10, 2021)	Date(s) & Rating(s) assigned in 2020-21 (May 11, 2020)	Date(s) & Rating(s) assigned in 2019-20
1.	Cash Credit	Long Term	15.00	IVR BB+; Issuer Not Cooperating*	IVR BBB-; Credit Watch with Developing Implications	IVR BBB- / Stable	-
2.	Secured Overdraft Loan	Long Term	5.00	IVR BB+; Issuer Not Cooperating*	IVR BBB-; Credit Watch with Developing Implications	-	-
3.	Letter of Credit	Short Term	5.00	IVR A4+; Issuer Not Cooperating*	IVR A3; Credit Watch with Developing Implications	IVR A3	-
4.	Bank Guarantee	Long Term / Short Term	35.64	IVR BB+/ IVR A4+; Issuer Not Cooperating*	IVR BBB-/ IVR A3; Credit Watch with Developing Implications	IVR BBB- / Stable/ IVR A3	-
5.	Proposed—Cash Credit	Long Term	5.00	IVR BB+; Issuer Not Cooperating*	IVR BBB-; Credit Watch with Developing Implications	IVR BBB- / Stable	-



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Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-22 (August 10, 2021)	Date(s) & Rating(s) assigned in 2020-21 (May 11, 2020)	Date(s) & Rating(s) assigned in 2019-20
6.	Proposed Bank Guarantee	Long Term / Short Term	26.97	IVR BB+/ IVR A4+; Issuer Not Cooperating*	IVR BBB-/ IVR A3; Credit Watch with Developing Implications	IVR BBB-/ Stable/ IVR A3	-

*Issuer did not cooperate; based on best available information

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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information 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, suspend 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



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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: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	15.00	IVR BB+; Issuer Not Cooperating*
Secured Overdraft Loan	-	-	-	5.00	IVR BB+; Issuer Not Cooperating*
Letter of Credit	-	-	-	5.00	IVR A4+; Issuer Not Cooperating*
Bank Guarantee	-	-	-	35.64	IVR BB+/ IVR A4+; Issuer Not Cooperating*
Proposed– Cash Credit	-	-	-	5.00	IVR BB+; Issuer Not Cooperating*
Proposed Bank Guarantee	-	-	-	26.97	IVR BB+/ IVR A4+; Issuer Not Cooperating*

*Issuer did not cooperate; based on best available information

Annexure 2: List of companies considered for consolidated analysis:

Name of the company	Extent of consolidation
Shrushti Contech Private Limited	Full consolidation
Sun Shrushti Private Limited	

Annexure 3: Facility wise lender details: Not applicable

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: 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.