



## Rating Rationale

26 June 2020

### Shristi Infrastructure Development Corporation Ltd

Brickwork Ratings Downgrades the ratings of the Non-Convertible Debentures of Rs.145.00 Crs and also the ratings for the Long Term and Short term bank loan facilities aggregating Rs.232.38 Crs of Shristi Infrastructure Development Corporation Ltd (SIDCL or 'The Company') as below:

#### Particulars

Facilities**	Amount (Rs. Crs.)		Tenure	Rating*	
	Previous	Present		Previous (Mar., 2020)	Present
Fund based Secured Non Convertible Debentures	145.00	145.00	Long Term	BWR BBB, Negative	BWR BB, Downgraded, Credit watch with negative implications
Cash Credit Limit	50.00	50.00			
Term Loan	162.38	162.38#			
Non Fund Based ILC/FLC	20.00	20.00	Short Term	BWR A3+	BWR A4+ Downgraded
<b>Total</b>	<b>377.38</b>	<b>377.38</b>	<b>Rs. Three Hundred and Seventy Seven Crores and Thirty Eight Lakhs Only</b>		

\*Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

\*\* Details of Bank Loan facilities/NCD are provided in Annexure-I&II

#Includes the outstanding Term loans as on February 2020 and undisbursed portion of Term Loans from banks.

#### RATING ACTION / OUTLOOK

Brickwork Ratings has downgraded the ratings of the Secured Non Convertible Debentures of Rs.145.00 Crs and the ratings of the long term and short term bank loan facilities aggregating Rs.232.38 Crs of



Shristi Infrastructure Development Corporation Ltd (SIDCL), from BWR BBB (Negative) /BWR A3+ to **BWR BB/ BWR A4+** . The outlook is revised to “**Credit Watch With Negative Implications**”.

The downgrade of the rating factors in the default of its subsidiary company Sarga Hotels Pvt Ltd (SHPL) in servicing its loan repayments and turning into a Non Performing Asset as advised by its bankers, as well as the continuous delay in servicing of contractual obligations including term loan interest payments by their associate company Suasth Health Care (India) Limited (SHCIL) as per information from its bankers - which occurred despite the unconditional and irrevocable corporate guarantees and debt shortfall undertakings provided by SIDCL for the credit facilities of these entities.

The rating further considers SIDCL's stretched liquidity with tightly matched repayments and cash accruals. The ISCR of the company during 9MFY20 stood at 0.91 times (FY19:0.91 times).

BWR is of the view that there will be substantial pressure on the revenue, profitability and debt servicing ability of the company in the near to medium term, hence the outlook is changed to Credit Watch with Negative Implications.

For further details on the company, a reference may please be made to our previous Rating Rationale dated 28 March 2020, the link to which is provided below.

<https://www.brickworkratings.com/Admin/PressRelease/Shristi-Infrastructure-28Mar2020.pdf>

## **RATING SENSITIVITIES**

**Positive:** Improvement in the liquidity position of the company, as well as upgradation of the asset classification of its group entities mentioned above, may lead to positive rating action.

**Negative:** Further deterioration in the liquidity position of the company, or slippage in asset classification of any of these companies may trigger a negative rating action.

## **LIQUIDITY INDICATORS: Stretched**

Liquidity position of the company stands Stretched as reflected from ISCR below unity during 9MFY20 and FY19. Presently the company has an available cash balance of approx. Rs. 2.50 Crs and does not have any long term principal repayment. The company will have to service its interest of approx Rs.5.00 Crs per month (which includes interest on bank loans as well as approx Rs. 3.16 Crs of interest on its term loans from other financial institutions, and Non Convertible Debentures). The current stretched liquidity is likely to get relief on account of additional receivables of Rs.20 Crs expected to come in during the next quarter from two of its projects, over and above its present monthly inflows of around Rs. 2.00 Crs.



## COMPANY's PROFILE

Shristi Infrastructure Development Corporation Ltd (SIDCL), incorporated in 1990, is a Kolkata based Kanoria Foundation entity. SIDCL started commercial operations in 1999. SIDCL is an ISO 9001:2000 certified Civil and Infrastructural Development Company. It is engaged in the construction & development of townships, roads, highways, hydro-electric power projects and other external services. SIDCL has joint ventures with various State & Central Government organisations for the development of various housing as well as infrastructure projects based on the Public Private Partnership model.

## KEY FINANCIAL INDICATORS

Key Financial Indicators	Units	FY18	FY19
Result Type		Audited	Audited
Operating Revenue	₹ Cr	102.89	61.34
EBITDA	₹ Cr	28.41	36.38
PAT	₹ Cr	2.55	1.25
Tangible Net worth	₹ Cr	323.52	260.17*
Total Debt/Tangible Net worth	Times	0.89	1.70
Current Ratio	Times	1.50	1.93

**\*after adjustment for Development Rights**

**NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY : NIL**

## RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

S.I	Name of Instrument (NCD/Bank Loan /Non-Fund Based facilities/ Commercial Paper etc.)	Current Rating (2020)			Chronology of Rating History for the past 3 years (Rating Assigned and Press Release date) along with outlook/ Watch, if applicable											
		Type (Long Term/Short Term)	Amount Outstanding (Rs. Crores)	Rating	Date(s) & Rating(S) assigned in year 2020			Date(s) & Rating(S) assigned in year 2019			Date(s) & Rating(s) assigned in Year 2018			Date(s) & Rating(s) assigned in Year 2017		
1.	Fund Based	Long Term	212.38	BWR B, Downgraded, Outlook Changed to Stable from Negative	28.03.2020			20.03.2019			21.03.2018			28.03.2017		
					FB	212.38	BWR BBB, Negative, Downgraded	FB	225.00	BWR BBB+, Stable, Reaffirmed	FB	150.00	BWR BBB+, Stable, Reaffirmed	FB	150.00	BWR BBB+, Stable, Assigned
2.	Non Fund Based	Short Term	20.00	BWR A4+, Downgraded	NF B	20.00	BWR A3+, Downgraded	NF B	20.00	BWR A2, Reaffirmed	NFB	20.00	BWR A2, Reaffirmed	NFB	20.00	BWR A2, Assigned
3.	NCD	Long Term	145.00	BWR B, Downgraded, Outlook Changed to Stable from Negative	NC D	145.00	BWR BBB, Negative, Downgraded	NC D	145.00	BWR BBB+, Stable, Reaffirmed	NCD	145.00	BWR BBB+, Stable, Reaffirmed	NCD	145.00	BWR BBB+, Stable, Reaffirmed
	<b>Total</b>		<b>377.38</b>	<b>Rs.Three Hundred and Seventy Seven Crs and Thirty Eight Lakhs.Only.</b>												

## COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

### Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Infrastructure Sector](#)
- [Short Term Debt](#)



For any other criteria obtain hyperlinks from website

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**Shristi Infrastructure Development Corporation Ltd.**

**ANNEXURE I**

**Details of Bank Loan Facilities rated by BWR**

<b>Sl. No.</b>	<b>Name of the Bank</b>	<b>Type of Facilities</b>	<b>Long Term (Rs. Crs.)</b>	<b>Short Term (Rs. Crs.)</b>	<b>Total (Rs. Crs.)</b>
1.	UCO Bank	Cash Credit	20.00	0.00	20.00
		Bank Guarantee	0.00	10.00	10.00
2.	Oriental Bank of Commerce	Cash Credit	5.00	0.00	5.00
3.	Indian Bank	Cash Credit	5.00	0.00	5.00
		Bank Guarantee	0.00	10.00	10.00
4.	Axis Bank	Cash credit	10.00	0.00	10.00
5.	Yes Bank	Cash Credit	10.00	0.00	10.00
6.	Union Bank	Term Loan	100.00	0.00	100.00
7.	Lakshmi Vilas Bank	Term Loan	62.38	0.00	62.38
<b>Total Rupees Two Hundred and Thirty Two Crores and Thirty Eight Lakhs only</b>					<b>232.38</b>



**ANNEXURE II**  
**INSTRUMENT (NCD) DETAILS**

<b>Instrument</b>	<b>Issue Date</b>	<b>Amount Rs. Crs.</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>ISIN Particulars</b>
Secured Non Convertible Debentures	30 November 2016	145.00	10% p.a.	30 November 2026	INE472C07016

**Total Rs.One Hundred and Forty Five Crs. Only**

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