

Press Release
Sintex Prefab and Infra Limited

September 16, 2019



Rating Downgraded

Total Bank Facilities Rated*	Rs. 1,876.54 Cr.
Rated Amount (Bank facilities)	Rs. 82.91 Cr.
Long Term Rating	ACUITE D (Reaffirmed)
Rated Amount (Non-Convertible Debenture)	Rs. 250.00 Cr.
Long Term Rating	ACUITE D (Reaffirmed))
Rated Amount (Bank facilities)	Rs. 105.00 Cr.
Long Term Rating	ACUITE C (Reaffirmed)
Rated Amount (Non-Convertible Debenture)	Rs.250.00 Cr.
Long Term Rating	ACUITE C/D (Reaffirmed and Downgraded)
Rated Amount (Proposed Non-Convertible Debenture)	Rs.100.00 Cr.
Long Term Rating	ACUITE C (Reaffirmed)
Rated Amount (Bank facilities)	Rs. 210.00 Cr.
Short Term Rating	ACUITE D (Reaffirmed)
Rated Amount (Bank facilities)	Rs. 878.63 Cr.
Short Term Rating	ACUITE A4 (Reaffirmed)

* Refer Annexure for details

Rating Rationale

Acuité has reaffirmed the long term rating of '**ACUITE D' (read as ACUITE D)**' on the Rs. 82.91 crore bank facilities and '**ACUITE D' (read as ACUITE D)**' on the Rs. 250 crore Non- Convertible Debentures of SPIL.

Further Acuité has reaffirmed the long term rating to '**ACUITE D' (read as ACUITE D)**' on the Rs. 105 crore bank facilities, downgraded rating to '**ACUITE D' (read as ACUITE D)**' from '**ACUITE C' (read as ACUITE C)**' on the Rs.112.50 crore Non- Convertible Debentures and reaffirmed the long term rating of '**ACUITE C' (read as ACUITE C)**' for Rs.137.50 crore Non- Convertible Debentures of total Rs. 250 crore Non- Convertible Debentures of SPIL. Acuité has also reaffirmed the long term rating of '**ACUITE C' (read as ACUITE C)**' for Proposed Non-Convertible Debenture of Rs.100.00 Cr. s

Further, Acuité has also reaffirmed the short-term rating to '**ACUITE D' (read as ACUITE D)**' on the Rs. 210 crore bank facilities and '**ACUITE A4' (read as ACUITE A four)**' on the Rs. 878.63 crore bank facilities of SPIL.

Rationale for Rating Revision:

The rating downgrade is in view of significant liquidity pressures faced by SPIL which has impeded its ability to meet its debt obligations in a timely manner. The rating action is based on Acuité's discussions with the company's bankers and filings with the stock exchange. The company has delayed its interest and principal payments on a debenture issue of Rs.112.50 crore as per the exchange filings dated 11th September 2019.

About the Company:

SPIL is a wholly owned subsidiary of Sintex Plastics Technology Limited (plastic business arm of the Sintex group), SPTL is listed in BSE. Sintex Prefab and Infra Limited (Erstwhile Sintex Infra Projects Limited), incorporated in December 2009, is a Gujarat-based company engaged in the manufacturing of prefab structures and monolithic construction material. The company also undertakes execution of various centre and state sponsored infrastructure and power projects such as affordable housing. SPIL caters to government and semi

government departments. Moreover, after the merger and demerger scheme monolithic construction business and Prefab business of Sintex industry Limited was transfer to Sintex Prefab. Sintex Prefab has an installed capacity of 76,800 numbers per annum of prefabricated structure with manufacturing facility located at Kalol near Ahmedabad, Bhachau (Kutch) and Daman.

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of the Sintex Prefab and Infra Limited to arrive at this rating.

Liquidity Position

Liquidity of SPIL continues to be under pressure on account of significant debt obligation vis-a-vis the operating cashflows.

About the Rated Entity - Key Financials

	Unit	FY19 (Actual)	FY18 (Actual)	FY17 (Actual)
Operating Income	Rs. Cr.	736.49	1,704.46	2,054.54
EBITDA	Rs. Cr.	55.82	177.09	440.43
PAT	Rs. Cr.	6.28	52.21	86.89
EBITDA Margin	(%)	7.58	10.39	21.44
PAT Margin	(%)	0.85	3.06	4.23
ROCE	(%)	1.59	4.05	14.04
Total Debt/Tangible Net Worth	Times	0.33	0.69	1.02
PBDIT/Interest	Times	1.19	1.90	4.68
Total Debt/PBDIT	Times	6.61	5.24	2.63
Gross Current Assets (Days)	Days	194	66	130

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Entities in the infrastructure sector - <http://acuite.in/view-rating-criteria-14.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
11 -April -2019	Term Loan	Long Term	72.91	ACUITE D (Downgraded)
	Term Loan	Long Term	50.00	ACUITE C (Downgraded)
	Cash Credit	Long Term	10.00	ACUITE D (Downgraded)
	Cash Credit	Long Term	100.00*	ACUITE C (Downgraded)
	Cash Credit	Long Term	45.00	ACUITE C (Downgraded)
	Cash Credit	Long Term	10.00	ACUITE C (Downgraded)
	Non-Convertible Debenture	Long Term	112.50	ACUITE C (Downgraded)
	Non-Convertible Debenture	Long Term	137.50	ACUITE C (Downgraded)
	Non-Convertible Debenture	Long Term	250.00	ACUITE D (Downgraded)
	Proposed Non-Convertible Debenture	Long Term	15.00	ACUITE C (Downgraded)
	Proposed Non-Convertible Debenture	Long Term	85.00	ACUITE C (Downgraded)
	Bank Guarantee	Short Term	100.00	ACUITE A4) (Downgraded)
	Letter of Credit	Short Term	210.00**	ACUITE D (Downgraded)
	Letter of Credit	Short Term	105.00#	ACUITE A4 (Downgraded)
	Bank Guarantee	Short Term	30.00	ACUITE A4 (Downgraded)
	Proposed Non Fund Based	Short Term	543.63	ACUITE A4 (Downgraded)
	Term Loan	Long Term	72.91	ACUITE A+/ Negative (Downgraded)
	Term Loan	Long Term	50.00	ACUITE A+/ Negative (Downgraded)

7-Aug-2018	Cash Credit	Long Term	10.00	ACUITE A+/ Negative (Downgraded)
	Cash Credit	Long Term	100.00*	ACUITE A+/ Negative (Downgraded)
	Cash Credit	Long Term	45.00	ACUITE A+/ Negative (Downgraded)
	Cash Credit	Long Term	10.00	ACUITE A+/ Negative (Downgraded)
	Non-Convertible Debenture	Long Term	112.50	ACUITE A+/ Negative (Downgraded)
	Non-Convertible Debenture	Long Term	137.50	ACUITE A+/ Negative (Downgraded)
	Non-Convertible Debenture	Long Term	250.00	ACUITE A+/ Negative (Downgraded)
	Proposed Non-Convertible Debenture	Long Term	15.00	ACUITE A+/ Negative (Downgraded)
	Proposed Non-Convertible Debenture	Long Term	85.00	ACUITE A+/ Negative (Downgraded)
	Bank Guarantee	Short Term	100.00	ACUITE A1 (Downgraded)
	Letter of Credit	Short Term	210.00	ACUITE A1 (Downgraded)
	Letter of Credit	Short Term	105.00	ACUITE A1 (Downgraded)
	Bank Guarantee	Short Term	30.00	ACUITE A1 (Downgraded)
	Proposed Non Fund Based	Short Term	543.63	ACUITE A1 (Downgraded)
12-Aug-2017	Term Loan	Long Term	109.38	ACUITE AA-/Stable (Assigned)
	Term Loan	Long Term	90.00	ACUITE AA-/Stable (Assigned)
	Proposed Cash Credit	Long Term	378.00	ACUITE AA-/Stable (Assigned)
	Cash Credit	Long Term	100.00*	ACUITE AA-/Stable (Assigned)
	Proposed NCD	Long Term	112.50	ACUITE AA-/Stable (Assigned)
	Proposed NCD	Long Term	137.50	ACUITE AA-/Stable (Assigned)

	Proposed NCD	Long Term	250.00	ACUITE AA-/Stable (Assigned)
	Proposed NCD	Long Term	15.00	ACUITE AA-/Stable (Assigned)
	Proposed NCD	Long Term	85.00	ACUITE AA-/Stable (Assigned)
	Proposed Bank Guarantee	Short Term	100.00	ACUITE A1+ (Assigned)
	Letter of Credit	Short Term	170.00**	ACUITE A1+ (Assigned)
	Letter of Credit	Short Term	105.00#	ACUITE A1+ (Assigned)
	Proposed non Fund Based	Short Term	224.16	ACUITE A1+ (Assigned)

includes bank guarantee as a sub limit * One way interchangeable with LC ** fully interchangeable between bank guarantee and letter of credit

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Term Loan	Not Applicable	Not Applicable	Not Applicable	72.91	ACUITE D (Reaffirmed)
Term Loan	Not Applicable	Not Applicable	Not Applicable	50.00	ACUITE C (Reaffirmed)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE D (Reaffirmed)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	100.00*	ACUITE C (Reaffirmed)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	45.00	ACUITE C (Reaffirmed)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE C (Reaffirmed)
Non-Convertible Debenture	December, 2015	Not Applicable	October, 2020	112.50	ACUITE D (Downgraded from C)
Non-Convertible Debenture	December, 2015	Not Applicable	October, 2020	137.50	ACUITE C (Reaffirmed)
Non-Convertible Debenture	December, 2014	Not Applicable	September, 2021	250.00	ACUITE D (Reaffirmed)
Proposed Non-Convertible Debenture	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE C (Reaffirmed)
Proposed Non-Convertible Debenture	Not Applicable	Not Applicable	Not Applicable	85.00	ACUITE C (Reaffirmed)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	100.00	ACUITE A4 (Reaffirmed)

Letter of Credit	Not Applicable	Not Applicable	Not Applicable	210.00**	ACUITE D (Reaffirmed)
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	105.00#	ACUITE A4 (Reaffirmed)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	30.00	ACUITE A4 (Reaffirmed)
Proposed Non Fund Based	Not Applicable	Not Applicable	Not Applicable	543.63	ACUITE A4 (Reaffirmed)

includes bank guarantee as a sub limit * One way interchangeable with LC ** fully interchangeable between bank guarantee and letter of credit

Contacts

Analytical	Rating Desk
Aditya Gupta Head - Corporate and Infrastructure Sector Ratings Tel: 022-49294041 aditya.gupta@acuite.in	Varsha Bist Manager - Rating Desk Tel: 022- 49294011 rating.desk@acuite.in
Rupesh Patel Analyst - Rating Operations Tel: 022-49294044 rupesh.patel@acuite.in	

About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.