

Press Release

Sintex Prefab and Infra Limited

October 03, 2019

Rating Downgraded and Reaffirmed



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 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

Acuite has reaffirmed 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 Acuite has reaffirmed the long term rating of '**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.137.50 crore Non- Convertible Debentures and reaffirmed the long-term rating of '**ACUITE D**' (read as **ACUITE D**) for Rs.112.50 crore Non- Convertible Debentures of total Rs. 250 crore Non- Convertible Debentures of SPIL. Acuite has also reaffirmed the long term rating of '**ACUITE C**' (read as **ACUITE C**) for Proposed Non-Convertible Debenture of Rs.100.00 Cr.

Further, Acuite has also reaffirmed short-term rating of '**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 Acuite'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. 137.50 crore as per the feedback received from denture which was due on 30 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 on 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

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

Rating Sensitivities

- Ongoing liquidity pressures
- Delays in repayment and timely servicing of debt.

Material Covenants

None

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

Acuite 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
16- Sep-2019	Term Loan	Long Term	72.91	ACUITE D (Reaffirmed)
	Term Loan	Long Term	50.00	ACUITE C (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE D (Reaffirmed)
	Cash Credit	Long Term	100.00*	ACUITE C (Reaffirmed)
	Cash Credit	Long Term	45.00	ACUITE C (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE C (Reaffirmed)
	Non-Convertible Debenture	Long Term	112.50	ACUITE D (Downgraded from C)
	Non-Convertible Debenture	Long Term	137.50	ACUITE C (Reaffirmed)
	Non-Convertible Debenture	Long Term	250.00	ACUITE D (Reaffirmed)
	Proposed Non- Convertible Debenture	Long Term	15.00	ACUITE C (Reaffirmed)
	Proposed Non- Convertible Debenture	Long Term	85.00	ACUITE C (Reaffirmed)
	Bank Guarantee	Short Term	100.00	ACUITE A4 (Reaffirmed)
	Letter of Credit	Short Term	210.00**	ACUITE D (Reaffirmed)
	Letter of Credit	Short Term	105.00#	ACUITE A4 (Reaffirmed)
	Bank Guarantee	Short Term	30.00	ACUITE A4 (Reaffirmed)
	Proposed Non Fund Based	Short Term	543.63	ACUITE A4 (Reaffirmed)
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)
	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)

7-Aug-2018	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 (Reaffirmed)
Non-Convertible Debenture	December, 2015	Not Applicable	October, 2020	137.50	ACUITE D (Downgraded from C)
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)
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About Acuité Ratings & Research:

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