

Press Release

C S Infraconstruction Limited

December 05, 2018

Rating Assigned



Total Bank Facilities Rated*	Rs. 155.00 Cr.
Long Term Rating	ACUITE C
Short Term Rating	ACUITE A4

* Refer Annexure for details

Rating Rationale

Acuite has assigned long-term rating of '**ACUITE C**' (read as **ACUITE C**) and short term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs. 155.00 crore bank facilities of C S Infraconstruction Limited.

C S Infraconstruction Limited (CSIL) was established as a Partnership firm in 2002 under the name 'Chhatrashakti Construction Company'. Subsequently, its constitution changed to closely held public limited in 2009. The company is registered as 'Class 1' contractor is engaged into civil construction works. CSIL mainly does the construction work for Public Works Department (PWD).

Analytical Approach

Acuite has considered the standalone business and financial risk profile of CSIL to arrive at the rating.

Key Rating Drivers

Strengths

- Experienced management & healthy order book position**

The Promoters, Ms. Pushpa Singh, Mr. Ramesh Singh and Mr. Ghurahoo Singh have experience of over a decade in civil construction industry. CSIL has order in hand of Rs.1757.00 crore as on October 2018 which provides near to medium term's revenue visibility.

Weaknesses

- Delays in servicing of debt obligations**

The rating reflects on-going irregularities in servicing of debt obligation in the last six months ending 31 October, 2018 on account of stretched liquidity position.

- Competitive and fragmented industry**

As the company is into civil contraction work, the particular sector is marked by the presence of several mid to big size players. The company faces intense competition from the other players in the sectors. Risk become more pronounced as tendering is based on minimum amount of bidding of contracts.

About the Rated Entity - Key Financials

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	207.13	407.12	498.88
EBITDA	Rs. Cr.	26.70	78.75	78.61
PAT	Rs. Cr.	-3.26	31.90	35.67
EBITDA Margin	(%)	12.89	19.34	15.76
PAT Margin	(%)	-1.58	7.84	7.15
ROCE	(%)	3.48	27.98	39.84
Total Debt/Tangible Net Worth	Times	0.38	0.48	0.31
PBDIT/Interest	Times	2.68	6.60	8.19
Total Debt/PBDIT	Times	2.00	0.95	0.51
Gross Current Assets (Days)	Days	442	231	121

Any other information

Not Applicable

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-14.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)

Not Applicable

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	30.00	ACUITE C (Assigned)
Bank guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	125.00	ACUITE A4 (Assigned)

Contacts

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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.

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