

## Press Release

### C S Infraconstruction Limited

December 05, 2018



### Rating Assigned

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

\* Refer Annexure for details

### Rating Rationale

Acuité 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

Acuité 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 biding 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)

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### About Acuité Ratings & Research:

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