



Press Release
SIDDHARTHA ENGINEERING LIMITED
December 11, 2025
Rating Downgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	50.75	ACUITE C Downgraded	-
Bank Loan Ratings	112.75	-	ACUITE A4 Downgraded
Total Outstanding Quantum (Rs. Cr)	163.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded its long-term rating to '**ACUITE C**' (read as **ACUITE C**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and short-term rating to '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE A3**' (read as **ACUITE A three**) on Rs. 163.50 Cr. bank facilities of Siddhartha Engineering Limited (SEL).

Rationale for rating

The rating downgrade takes cognizance of delay in servicing debt obligations in Medium Term loan in October 2025 by 1 day as reported in Credit Bureau Information Report.

About the Company

Siddhartha Engineering Limited (SEL) an Orissa based company was incorporated in 1972 as partnership firm and reconstituted as private limited company in 1986, subsequently as public limited company with the present name in 2008. The company is engaged in designs, supplies, erects, commissions and tests electrical substations for various government organizations. Currently the company promoted by the director Mr. Sudhansu Sekhar Palo who has more than four decades of experience in transmission tower and electrical sub-station business. The other directors Mr. Sidhartha Palo and Mrs. Madhuri Palo also have more than two decades experience in aforementioned industry.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of SEL while arriving at the rating.

Key Rating Drivers

Experienced management and long track record of operations

The company has long operational track record of more than three decades in the construction industry. The entity was promoted by Mr. Sudhansu Sekhar Palo, who has more than four decades of experience in the transmission tower and electrical substation business. The other directors, Mr. Sidhartha Palo and Mrs. Madhuri Palo, also have more than two decades of experience in the aforementioned industry. The longstanding experience of the management and long track record of operations have helped the company establish relationships with reputed clients such as Power Grid Corporation of India, Odisha Power Transmission Corporation Limited (OPTCL), etc. The company has been in this industry for an extended period and has built strong relationships with clients over that time.

Weaknesses

Instance of a delay in servicing of debt obligation

Instance of a delay in servicing debt obligations by SEL in Medium term loan in the month of October 2025 by 1 day, as reported in Credit Bureau Information report of the company.

Rating Sensitivities

Regular servicing of debt obligations

Liquidity Position Stretched

The liquidity position of the company is stretched on account of a reported delay by Credit Bureau Information in servicing of debt obligation by the company.

Outlook: Not Applicable

Other Factors affecting Rating None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	138.62	130.47
PAT	Rs. Cr.	4.94	6.73
PAT Margin	(%)	3.56	5.16
Total Debt/Tangible Net Worth	Times	0.59	0.49
PBDIT/Interest	Times	1.89	2.17

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

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
24 Sep 2024	Letter of Credit	Short Term	7.00	ACUITE A3 (Upgraded from ACUITE A4+)
	Letter of Credit	Short Term	15.00	ACUITE A3 (Upgraded from ACUITE A4+)
	Bank Guarantee (BLR)	Short Term	38.00	ACUITE A3 (Upgraded from ACUITE A4+)
	Bank Guarantee (BLR)	Short Term	17.25	ACUITE A3 (Upgraded from ACUITE A4+)
	Bank Guarantee (BLR)	Short Term	22.00	ACUITE A3 (Upgraded from ACUITE A4+)
	Proposed Short Term Bank Facility	Short Term	7.42	ACUITE A3 (Upgraded from ACUITE A4+)
	Bank Guarantee (BLR)	Short Term	11.50	ACUITE A3 (Upgraded from ACUITE A4+)
	Proposed Bank Guarantee	Short Term	5.00	ACUITE A3 (Upgraded from ACUITE A4+)
	Cash Credit	Long Term	10.00	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)
	Cash Credit	Long Term	10.00	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)
	Cash Credit	Long Term	5.00	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)
	Working Capital Demand Loan (WCDL)	Long Term	1.83	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)
	Working Capital Demand Loan (WCDL)	Long Term	2.37	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)
	Working Capital Demand Loan (WCDL)	Long Term	1.13	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)
	Cash Credit	Long Term	10.00	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)
06 Jul 2023	Letter of Credit	Short Term	15.00	ACUITE A4+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	38.00	ACUITE A4+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	17.25	ACUITE A4+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	22.00	ACUITE A4+ (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	7.42	ACUITE A4+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	11.50	ACUITE A4+ (Reaffirmed)
	Letter of Credit	Short Term	7.00	ACUITE A4+ (Reaffirmed)
	Proposed Bank Guarantee	Short Term	5.00	ACUITE A4+ (Assigned)
	Cash Credit	Long Term	10.00	ACUITE BB+ Stable (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BB+ Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BB+ Stable (Reaffirmed)
	Working Capital Demand	Long		

	Loan (WCDL)	Term	1.83	ACUITE BB+ Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	2.37	ACUITE BB+ Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	1.13	ACUITE BB+ Stable (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BB+ Stable (Reaffirmed)
31 Jan 2023	Letter of Credit	Short Term	15.00	ACUITE A4+ (Downgraded from ACUITE A3)
	Bank Guarantee (BLR)	Short Term	38.00	ACUITE A4+ (Downgraded from ACUITE A3)
	Bank Guarantee (BLR)	Short Term	17.25	ACUITE A4+ (Downgraded from ACUITE A3)
	Bank Guarantee (BLR)	Short Term	22.00	ACUITE A4+ (Downgraded from ACUITE A3)
	Proposed Short Term Bank Facility	Short Term	7.42	ACUITE A4+ (Downgraded from ACUITE A3)
	Bank Guarantee (BLR)	Short Term	11.50	ACUITE A4+ (Downgraded from ACUITE A3)
	Letter of Credit	Short Term	7.00	ACUITE A4+ (Downgraded from ACUITE A3)
	Cash Credit	Long Term	10.00	ACUITE BB+ Negative (Downgraded from ACUITE BBB- Stable)
	Cash Credit	Long Term	10.00	ACUITE BB+ Negative (Downgraded from ACUITE BBB- Stable)
	Cash Credit	Long Term	5.00	ACUITE BB+ Negative (Downgraded from ACUITE BBB- Stable)
	Working Capital Demand Loan (WCDL)	Long Term	1.83	ACUITE BB+ Negative (Downgraded from ACUITE BBB- Stable)
	Working Capital Demand Loan (WCDL)	Long Term	2.37	ACUITE BB+ Negative (Downgraded from ACUITE BBB- Stable)
	Working Capital Demand Loan (WCDL)	Long Term	1.13	ACUITE BB+ Negative (Downgraded from ACUITE BBB- Stable)
	Cash Credit	Long Term	10.00	ACUITE BB+ Negative (Downgraded from ACUITE BBB- Stable)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	38.00	Simple	ACUITE A4 Downgraded (from ACUITE A3)
Canara Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	13.25	Simple	ACUITE A4 Downgraded (from ACUITE A3)
Karnataka Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	22.00	Simple	ACUITE A4 Downgraded (from ACUITE A3)
AXIS BANK LIMITED	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	14.50	Simple	ACUITE A4 Downgraded (from ACUITE A3)
Punjab National Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.00	Simple	ACUITE A4 Downgraded (from ACUITE A3)
Karnataka Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE C Downgraded (from ACUITE BBB-)
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE C Downgraded (from ACUITE BBB-)
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE C Downgraded (from ACUITE BBB-)
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE C Downgraded (from ACUITE BBB-)
AXIS BANK LIMITED	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE C Downgraded (from ACUITE BBB-)
Canara Bank	Not avl. / Not appl.	Covid Emergency Line.	31 Mar 2022	Not avl. / Not appl.	31 Mar 2027	0.48	Simple	ACUITE C Downgraded (from ACUITE BBB-)
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A4 Downgraded (from ACUITE A3)
Punjab National Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.00	Simple	ACUITE A4 Downgraded (from ACUITE A3)
								ACUITE C

Not Applicable	Not avl. / Not appl.	Proposed Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.27	Simple	Downgraded (from ACUITE BBB-)
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About Acuité Ratings & Research

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