



**Press Release**  
**SUPRADA CONSTRUCTIONS PRIVATE LIMITED**  
**March 24, 2025**  
**Rating Downgraded**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	400.00	ACUITE C   Downgraded	-
Total Outstanding Quantum (Rs. Cr)	400.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has downgraded its long-term rating to '**ACUITE C**' (read as **ACUITE Cf**) from '**ACUITE BBB**' (read as **ACUITE Triple B**) on the Rs. 400.00 Cr. bank facilities of Suprada Constructions Private Limited (SCPL).

**Rationale for Downgrade**

The rating downgrade is on account of delay in servicing of debt obligation by the company in recent past as found in credit information bureau report (CRIF) and term loan statements.

**About the Company**

SCPL was established initially as a partnership firm in 1982 under the name 'Suprada Constructions Company', by Mr. U Seetharam Shetty. It is based out of Dharwad district of Karnataka and is engaged in infrastructure development projects like drinking water projects, canal embankment, underground drainage, road development and construction of buildings for various government and private players.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has considered the standalone business and financial risk profiles of SCPL for arriving at the rating.

**Key Rating Drivers**

**Strengths**

**Experienced management and long track record of operations**

SCPL, a special-class civil contractor, has been into existence for more than three decades with its specialty in laying pipeline for water supply and sewerage under the central government-led scheme 'Jal Jivan Mission' (erstwhile known as National Rural Drinking Water Programme), majorly in the state of Karnataka. Mr. U Seetharam Shetty, the promoter of SCPL, is having 53 years of experience in the line of civil construction. With intent to bid for high value projects, 'Suprada Construction Company' (partnership firm) had been reconstituted into SCPL. SCPL has executed multiple orders which included construction work of water supply components, water supply and underground drainage systems, sports complex, bridges, series of residential school complexes, factories and manufacturing plants and others. With promoter's extensive industry experience and timely execution of past projects, SCPL has been able to establish a long-standing relationship with its suppliers and various government bodies.

**Weaknesses**

**Instance of delays in servicing of debt obligation**

There were delays in the servicing of debt obligations by the company in May 2024, as reported in the credit bureau information report (CRIF). Additionally, as per the term loan statements, the interest was charged at the start of every month and the same has been paid at the end of every month. To this effect, the bank stated that the

company has been making regular loan instalment and interest payments but on the contrary banker has levied penal charges and the same are not reversed. We have not received any satisfactory clarification regarding the sanction terms of interest payments as well as the reason for non-reversal of penal charges.

### **Rating Sensitivities**

Timely servicing of debt obligations

**Liquidity Position****Poor**

Liquidity position of the company is poor as there have been instances of delays in servicing of debt obligation.

**Outlook: Not Applicable****Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	424.92	342.71
PAT	Rs. Cr.	25.99	21.79
PAT Margin	(%)	6.12	6.36
Total Debt/Tangible Net Worth	Times	1.15	1.16
PBDIT/Interest	Times	4.02	3.45

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

Not Applicable

**Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)**

**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, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité'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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
16 Feb 2024	Cash Credit	Long Term	20.00	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Term Loan	Long Term	1.18	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Term Loan	Long Term	4.57	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Working Capital Term Loan	Long Term	1.30	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Term Loan	Long Term	1.28	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Term Loan	Long Term	0.20	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Term Loan	Long Term	0.51	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Term Loan	Long Term	0.03	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Bank Guarantee/Letter of Guarantee	Long Term	140.00	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Bank Guarantee/Letter of Guarantee	Long Term	35.00	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Working Capital Term Loan	Long Term	1.63	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Cash Credit	Long Term	28.00	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Term Loan	Long Term	2.38	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Proposed Term Loan	Long Term	6.24	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Proposed Bank Guarantee	Long Term	57.68	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Term Loan	Long Term	12.83	ACUITE BBB   Stable (Assigned)
	Term Loan	Long Term	0.69	ACUITE BBB   Stable (Assigned)
	Bank Guarantee (BLR)	Long Term	40.00	ACUITE BBB   Stable (Assigned)
	Bank Guarantee (BLR)	Long Term	20.00	ACUITE BBB   Stable (Assigned)
	Term Loan	Long Term	4.88	ACUITE BBB   Stable (Assigned)
	Proposed Bank Guarantee	Long Term	13.32	ACUITE BBB   Stable (Assigned)
	Term Loan	Long Term	8.28	ACUITE BBB   Stable (Assigned)
	Cash Credit	Long Term	28.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	2.38	ACUITE BBB-   Stable (Reaffirmed)
	Cash Credit	Long Term	20.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	2.07	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	4.57	ACUITE BBB-   Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	2.60	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	2.33	ACUITE BBB-   Stable (Reaffirmed)

25 Nov 2022	Term Loan	Long Term	0.39	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	0.80	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	0.03	ACUITE BBB-   Stable (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Long Term	140.00	ACUITE BBB-   Stable (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Long Term	35.00	ACUITE BBB-   Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	1.63	ACUITE BBB-   Stable (Reaffirmed)
	Proposed Term Loan	Long Term	10.00	ACUITE BBB-   Stable (Reaffirmed)
	Proposed Term Loan	Long Term	0.20	ACUITE BBB-   Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	10.00	ACUITE BBB-   Stable (Assigned)
	Proposed Bank Guarantee	Long Term	40.00	ACUITE BBB-   Stable (Assigned)
24 Jan 2022	Working Capital Term Loan	Long Term	0.43	ACUITE BBB-   Negative (Reaffirmed)
	Proposed Long Term Loan	Long Term	0.19	ACUITE BBB-   Negative (Reaffirmed)
	Proposed Long Term Loan	Long Term	6.37	ACUITE BBB-   Negative (Assigned)
	Proposed Cash Credit	Long Term	3.50	ACUITE BBB-   Negative (Assigned)
	Proposed Bank Guarantee	Long Term	8.50	ACUITE BBB-   Negative (Assigned)
	Working Capital Term Loan	Long Term	1.63	ACUITE BBB-   Negative (Assigned)
	Proposed Bank Guarantee	Long Term	50.00	ACUITE BBB-   Negative (Assigned)
	Proposed Bank Guarantee	Long Term	15.00	ACUITE BBB-   Negative (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Long Term	15.00	ACUITE BBB-   Negative (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Long Term	90.00	ACUITE BBB-   Negative (Reaffirmed)
	Term Loan	Long Term	0.16	ACUITE BBB-   Negative (Reaffirmed)
	Term Loan	Long Term	0.68	ACUITE BBB-   Negative (Reaffirmed)
	Term Loan	Long Term	0.31	ACUITE BBB-   Negative (Reaffirmed)
	Term Loan	Long Term	0.52	ACUITE BBB-   Negative (Reaffirmed)
	Term Loan	Long Term	3.34	ACUITE BBB-   Negative (Reaffirmed)
	Working Capital Term Loan	Long Term	3.90	ACUITE BBB-   Negative (Reaffirmed)
	Proposed Long Term Loan	Long Term	0.12	ACUITE BBB-   Negative (Reaffirmed)
	Term Loan	Long Term	4.05	ACUITE BBB-   Negative (Reaffirmed)
	Term Loan	Long Term	3.24	ACUITE BBB-   Negative (Reaffirmed)
	Cash Credit	Long Term	16.50	ACUITE BBB-   Negative (Reaffirmed)
	Term Loan	Long Term	1.26	ACUITE BBB-   Negative (Reaffirmed)
	Working Capital Demand Loan	Long		

	(WCDL)	Term	2.30	ACUITE BBB-   Negative (Reaffirmed)
	Cash Credit	Long Term	23.00	ACUITE BBB-   Negative (Reaffirmed)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Canara Bank	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	230.00	Simple	ACUITE C   Downgraded (from ACUITE BBB )
HDFC Bank Ltd	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	55.00	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.	40.00	Simple	ACUITE C   Downgraded (from ACUITE BBB )
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE C   Downgraded (from ACUITE BBB )
Not Applicable	Not avl. / Not appl.	Proposed Bank Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.37	Simple	ACUITE C   Downgraded (from ACUITE BBB )
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	05 Jul 2028	17.20	Simple	ACUITE C   Downgraded (from ACUITE BBB )
Bank of Baroda	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	10 Jul 2030	0.62	Simple	ACUITE C   Downgraded (from ACUITE BBB )
Canara Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Dec 2026	1.59	Simple	ACUITE C   Downgraded (from ACUITE BBB )
ICICI Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Aug 2025	0.10	Simple	ACUITE C   Downgraded (from ACUITE BBB )
SVC Co-Op Bank Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Jan 2027	0.29	Simple	ACUITE C   Downgraded (from ACUITE BBB )
Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	05 Jul 2028	5.52	Simple	ACUITE C   Downgraded (from ACUITE BBB )
SIRSI URBAN SAHAKARI BANK LIMITED	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	21 Jan 2033	8.07	Simple	ACUITE C   Downgraded (from ACUITE BBB )
HDFC Bank Ltd	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	07 Oct 2027	1.24	Simple	ACUITE C   Downgraded (from ACUITE BBB )



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