



**Press Release**  
**SUPRADA CONSTRUCTIONS PRIVATE LIMITED**  
**July 14, 2025**  
**Rating Upgraded**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	400.00	ACUITE BB+   Stable   Upgraded	-
Total Outstanding Quantum (Rs. Cr)	400.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has upgraded the long term rating to 'ACUITE BB+' (read as ACUITE double B plus) from 'ACUITE C' (read as ACUITE C) on the Rs.388.51 Cr. bank facilities and upgraded the long term rating to 'ACUITE BB+' (read as ACUITE double B plus) from 'ACUITE D' (read as ACUITE Do) on the Rs.11.49 Cr. bank facilities of Suprada Constructions Private Limited (SCPL). The outlook is 'Stable'.

**Rationale for upgrade**

The rating upgrade reflects the written clarification provided by the banker along with subsequent reversal of the penal charges and the curing period for the delays that occurred in February 2025 has been completed. The rating also draws support from the experienced management, subdued operating performance albeit maintaining profitability margins and decent order book position. Further, the rating reflects moderate financial risk profile of the company and adequate liquidity. However, the rating is constrained by working capital intensive operations and tender-based nature of business in an intensely competitive construction sector.

**About the Company**

Karnataka Based; Suprada Constructions Private Limited (SCPL) was incorporated in 2018. The company 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. It is promoted by Mr. Madesh Narayan Shetty, Mr. Seetaram Shetty Madayya, Mr. Narayan Madayya Shetty, Mr. Bhujanga Madayya Shetty, Mr. Vasantha Vittal Bhandary, Mr. Prathyaksha Shetty Seetharam and Mr. Charith Bhujanga Shetty.

**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 50 plus years of experience in the line of civil construction. 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. Acuité believes that the promoter's extensive industry experience and established relation with its principal contractors and suppliers will aid SCPL's business risk profile over the medium term.

**Moderate Financial Risk Profile**

The financial risk profile of the company remained moderate, marked by moderate net worth, low gearing and comfortable debt protection metrics. The net worth of the company stood at Rs. 127.60 Cr. in FY25(Prov.)

compared to Rs. 113.47 Cr. in FY24 due to the retention of profits. The company has total debt of Rs. 98.57 Cr, comprising of Rs. 38.96 Cr. long-term debt, Rs. 58.56 Cr. short-term debt, and Rs. 1.15 Cr. of USL as of March 31, 2025(Prov.). The gearing of the company remained low at 0.77 times as on March 31, 2025 (Prov.) as compared to 0.68 times as on March 31, 2024. Furthermore, debt protection metrics deteriorated however remained comfortable, with the Interest Coverage Ratio (ICR) at 2.78 times in FY25(Prov.) as compared to 4.02 times in FY 2024. The Debt Service Coverage Ratio (DSCR) of the company stood at 1.28 times in FY25(Prov.) as compared to 1.78 times in the previous year. The Debt-to-EBITDA ratio of the company was 2.44 times in FY25(Prov.) as compared to 1.35 times in FY24. Acuité expects the company to maintain a moderate financial risk profile subject to continued generation of healthy cash accruals.

### **Weaknesses**

#### **Subdued operating performance albeit maintaining profitability margins and decent order book position**

The company experienced subdued operating performance marked by decline in revenue that stood at Rs. 293.85 Cr. in FY25 (prov.) as compared to Rs. 424.92 Cr. in FY24 driven by slow execution of order book. As of June 2025, the company has achieved a revenue of around Rs. 66.82 Cr. and has unexecuted order book of ~ Rs. 866.67 Cr. which gives revenue visibility for the medium term. The company achieved an operating margin of 13.37 per cent in FY25(Prov.), slightly up from 12.60 per cent in FY24, while its PAT margin deteriorated to 4.81 per cent in FY25(Prov.) as compared to 6.12 per cent in FY24. Looking ahead, the company plans to undertake larger and high margin projects, which are expected to support growth in profitability. Acuité believes that SCPL's timely execution and billing of its unexecuted order book in hand will remain key rating sensitivity factor.

#### **Working Capital Intensive Operations**

The operations of the company remained working capital intensive, marked by GCA of 287 days in FY25 (Prov.) as compared to 155 days in FY24 majorly due to increased debtors and inventory days. The debtor collection period stood at 153 days in FY25(Prov.) as compared to 82 days in FY24 due to slow realisation of funds by the Karnataka govt. The inventory days for the company stood at 74 days in FY25(Prov.) as compared to 34 days in FY24. Additionally, the creditor days stood at 206 days in FY25(Prov.) as compared to 146 days in the previous year. Furthermore, the average utilization for fund-based limits remained almost fully utilised over the last 12 months ending April 2025. Acuité believes, SCPL's ability to improve its working capital cycle will remain key monitorable.

#### **Tender based nature of operations**

SCPL executes only tender based projects from government & private players with no major reliance on subcontract work. The business depends on the ability to bid for contracts successfully. SCPL has maintained a success rate of 30 to 40 percent in bidding. Tender based operations further limits pricing flexibility in an intensely competitive industry.

#### **Significant geographical and segmental concentration in revenue profile**

SCPL presently executes orders in the state of Karnataka thereby, leading to significant geographical concentration risk. The major thrust is on water supply scheme and irrigation works by the Government of Karnataka. However, due to several reasons such as delay in land clearance and stretch in payments from the state government agencies, the company is exploring various projects to diversify its operations into other states. The company intends to diversify its order book position to reduce its dependence from Karnataka to other states such as Madhya Pradesh, Orissa Tripura and Mizoram etc. This will help the company to manage its working capital more efficiently going forward. The company intends to keep 50-60per cent of the work order in Karnataka and rest in other states over the next 2-3 yrs. The company has already participated in few tenders in these states. Going forward, the ability of the company to successfully execute larger projects thereby improving the scale up the operations while maintaining adequate profitability will remain a key rating sensitivity.

### **Rating Sensitivities**

Sustain improvement in revenues and profitability

Improvements in working capital cycle leading to low reliance on external borrowings and improved liquidity.

Any changes in financial risk profile

Timely execution of orders without any significant delay and cost overrun

### **Liquidity Position**

#### **Adequate**

The company's liquidity position is adequate, marked by net cash accruals of Rs. 20.12 Cr. in FY25(Prov.) against its maturing debt obligations of Rs. 12.44 Cr. in the same year. The working capital operations of the company are intensive, marked by GCA days of 287 days in FY25(Prov.) as compared to 155 days in FY24. The reliance on fund-based working capital limits is high, with full utilization over the past 12 months ending April 2025. The company has an outstanding cash and bank balance Rs.4.19 Cr. as on March 31, 2025(Prov.). The current ratio stands at 1.39 times as of March 31, 2025(Prov.), compared to 1.29 times as of March 31, 2024. Going forward, liquidity is expected to remain adequate, supported by moderate accrual generation in the near term.

**Outlook: Stable**

**Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	293.85	424.92
PAT	Rs. Cr.	14.12	25.99
PAT Margin	(%)	4.81	6.12
Total Debt/Tangible Net Worth	Times	0.77	0.68
PBDIT/Interest	Times	2.78	4.02

**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, 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
13 Jun 2025	Cash Credit	Long Term	40.00	ACUITE C (Reaffirmed)
	Term Loan	Long Term	1.25	ACUITE C (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Long Term	230.00	ACUITE C (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Long Term	55.00	ACUITE C (Reaffirmed)
	Working Capital Term Loan	Long Term	1.07	ACUITE C (Reaffirmed)
	Term Loan	Long Term	16.01	ACUITE C (Reaffirmed)
	Cash Credit	Long Term	20.00	ACUITE C (Reaffirmed)
	Term Loan	Long Term	0.03	ACUITE C (Reaffirmed)
	Term Loan	Long Term	1.76	ACUITE C (Reaffirmed)
	Term Loan	Long Term	4.75	ACUITE C (Reaffirmed)
	Term Loan	Long Term	0.58	ACUITE C (Reaffirmed)
	Proposed Bank Guarantee	Long Term	18.06	ACUITE C (Reaffirmed)
	Term Loan	Long Term	11.49	ACUITE D (Downgraded from ACUITE C)
24 Mar 2025	Working Capital Term Loan	Long Term	1.24	ACUITE C (Downgraded from ACUITE BBB   Stable)
	Proposed Bank Guarantee	Long Term	20.37	ACUITE C (Downgraded from ACUITE BBB   Stable)
	Term Loan	Long Term	17.20	ACUITE C (Downgraded from ACUITE BBB   Stable)
	Term Loan	Long Term	0.62	ACUITE C (Downgraded from ACUITE BBB   Stable)
	Cash Credit	Long Term	20.00	ACUITE C (Downgraded from ACUITE BBB   Stable)
	Term Loan	Long Term	5.52	ACUITE C (Downgraded from ACUITE BBB   Stable)
	Term Loan	Long Term	8.07	ACUITE C (Downgraded from ACUITE BBB   Stable)
	Cash Credit	Long Term	40.00	ACUITE C (Downgraded from ACUITE BBB   Stable)
	Term Loan	Long Term	1.59	ACUITE C (Downgraded from ACUITE BBB   Stable)
	Term Loan	Long Term	0.10	ACUITE C (Downgraded from ACUITE BBB   Stable)
	Term Loan	Long Term	0.29	ACUITE C (Downgraded from ACUITE BBB   Stable)
	Bank Guarantee/Letter of Guarantee	Long Term	230.00	ACUITE C (Downgraded from ACUITE BBB   Stable)
	Bank Guarantee/Letter of Guarantee	Long Term	55.00	ACUITE C (Downgraded from ACUITE BBB   Stable)
	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)

16 Feb 2024	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)
25 Nov 2022	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)
	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)
		Long		

	Working Capital Term Loan	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 (WCDL)	Long 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 BB+   Stable   Upgraded (from ACUITE C)
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 BB+   Stable   Upgraded (from ACUITE C)
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE BB+   Stable   Upgraded (from ACUITE C)
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 BB+   Stable   Upgraded (from ACUITE C)
Not Applicable	Not avl. / Not appl.	Proposed Bank Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	18.06	Simple	ACUITE BB+   Stable   Upgraded (from ACUITE C)
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	05 Jul 2028	16.01	Simple	ACUITE BB+   Stable   Upgraded (from ACUITE C)
Bank of Baroda	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	10 Jul 2030	0.58	Simple	ACUITE BB+   Stable   Upgraded (from ACUITE C)
Canara Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Dec 2026	1.25	Simple	ACUITE BB+   Stable   Upgraded (from ACUITE C)
ICICI Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Aug 2025	0.03	Simple	ACUITE BB+   Stable   Upgraded (from ACUITE C)
SVC Co-Op Bank Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Jan 2027	1.76	Simple	ACUITE BB+   Stable   Upgraded (from ACUITE C)
Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	05 Jul 2028	4.75	Simple	ACUITE BB+   Stable   Upgraded (from ACUITE C)
SIRSI URBAN SAHAKARI BANK	Not avl. / Not	Term Loan	Not avl. / Not appl.	Not avl. / Not	21 Jan 2033	11.49	Simple	ACUITE BB+   Stable   Upgraded (

LIMITED	appl.			appl.				from ACUITE D )
HDFC Bank Ltd	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	07 Oct 2027	1.07	Simple	ACUITE BB+   Stable   Upgraded ( from ACUITE C )

## Contacts

Mohit Jain Chief Analytical Officer-Rating Operations	<b>Contact details exclusively for investors and lenders</b>
Nidhi Gala Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: <a href="mailto:analyticalsupport@acuite.in">analyticalsupport@acuite.in</a>

### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

**Disclaimer:** An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.acuite.in](http://www.acuite.in)) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

**Note:** None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.