



**Press Release**  
**SRI DURGA CONDEV PRIVATE LIMITED**  
**January 22, 2025**  
**Rating Upgraded**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	72.07	ACUITE A   Stable   Upgraded	-
Bank Loan Ratings	187.93	-	ACUITE A1   Upgraded
Total Outstanding Quantum (Rs. Cr)	260.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has upgraded a long-term rating to ‘**ACUITE A**’ (read as **ACUITE A**) from ‘**ACUITE A-**’ (read as **ACUITE A minus**) and short term rating to ‘**ACUITE A1**’ (read as **ACUITE A one**) from ‘**ACUITE A2+**’ (read as **ACUITE A two plus**) on the Rs 260.00 Cr. bank facilities of Sri Durga Condev Private Limited (SDCPL). The outlook is ‘**Stable**’.

**Rationale for Upgrade**

The rating upgrade reflects the company’s established track record of operations spanning more than three decades in executing roads, irrigation, and railway projects in Odisha. Further the scale of operation witnessed an improvement during FY24 backed by healthy execution of orders. The current order book provides revenue visibility over the medium term. The ratings also factor in company’s strong financial risk profile marked by its high net worth, low gearing ratio and healthy debt protection ratios. The ratings are constrained by high geographical concentration and intensive competition in construction business.

**About the Company**

SDCPL was started as a partnership firm in 1987 by Mr. Pramod Chandra Rath and was engaged in civil construction activities for road, bridge, building and railway tracks. The constitution was changed to a closely held company in 2000. Currently, the company is managed by Mr Pramod Chandra Rath and his family members. The company has executed projects primarily in the state of Odisha only.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has taken a standalone view of the business and financial risk profile of SDCPL to arrive at the rating.

**Key Rating Drivers**

**Strengths**

**Established track record in EPC segment**

SDCPL has a long operational track record as the company is executing different kinds of civil projects since 1987. Over the years, company has successfully completed large number of projects related to construction of roads, bridges, buildings, etc. in Odisha. The company has a diversified order book as SDCPL has bagged orders from various PSUs and State government entities such as East Coast Railways, RITES Ltd NTPC Ltd, Mahandi Coalfield Limited, PWD among others. Hence the counterparty risk is low.

**Improvement in scale of operations**

The company witnessed an improvement in its scale of operations marked by an operating income of Rs. 477.04 Cr. in FY2024 as against Rs. 392.96 Cr. in FY2023. Going forward, the ability of the company to bag new orders and timely execution of the existing orders will remain a key rating monitor able. The EBITDA margin of the

company stood at 10.89 per cent in FY2024 as against 11.08 per cent in FY2023. The PAT margin of the company stood at 4.61 per cent in FY2024 against 4.14 per cent in FY2023. Though the company's profitability is exposed to volatility in raw material, it has an in-built price escalation clause for major raw materials in most of its contracts. Acuité believes that the company is expected to have better top-line in near to medium term supported by stable margins as compared to previous years on account of better order book.

### **Healthy Financial Risk Profile**

The financial risk profile of the company is healthy marked by net-worth of Rs. 183.04 Crore as on 31st March 2024 against Rs. 161.04 Crore as on 31st March 2023. Further, the total debt of the company stood at Rs. 85.37 Crore as on 31st March 2024 against Rs. 85.61 Crore as on 31st March 2023. The capital structure of the company is comfortable marked by gearing ratio of the company which stood at 0.47 times as on 31st March 2024 against 0.53 times as on 31st March 2023. Further, the coverage indicators of the company improved reflected by interest coverage ratio and debt service coverage ratio of the company which stood at 6.23 times and 3.47 times respectively as on 31st March 2024 against 5.36 times and 3.04 times respectively as on 31st March 2023. The TOL/TNW ratio of the company stood at 0.73 times as on 31st March 2024 against 0.73 times as on 31st March 2023 and DEBT-EBITDA of the company stood at 1.53 times as on 31st March 2024 against 1.82 times as on 31st March 2023. Acuité believes that going forward the financial risk profile of the company will remain healthy in near to medium term.

### **Improvement in Working Capital operations**

The working capital operations of the company is moderate marked by GCA days which stood similar at 86 days as on 31st March 2024 against 101 days as on 31st March 2023. There is a slight improvement in the GCA days due to the inventories days of the company which stood at 42 days in FY24 against 66 days in FY23 and debtors days of the company stood at 38 days in FY24 against 35 days in FY23. However creditor days of the company stood at 24 days in FY24 against 17 days in FY23. Acuité believes that going forward the working capital operations of the company will remain moderate in near to medium term.

### **Healthy Order Book**

SDCPL has a healthy unexecuted order book position to the tune of Rs. 1668.09 Crore approximately as on 30th November 2024. The OB/OI of the Company stood at 3.5 times. Going forward, the ability of the company to bag new orders and timely execution of the existing orders will remain a key rating monitor able.

### **Weaknesses**

#### **Concentrated order book**

The company since its inception has worked on projects primarily in Odisha. Moreover, the ongoing orders are also entirely from Odisha thereby implying high geographic concentration. The company's ability to successfully bid for projects in other states would be a key to expand their base.

### **Presence of Competition in the industry**

The civil construction sector is marked by the presence of several mid- to large-sized players. The group faces intense competition from other players in the sector. The group specialises in civil works related to the construction of roads and buildings, mainly for the government of Odisha and various municipal corporations in the state of Odisha. The group faces competition from large players as well as many local and small, unorganised players. However, this risk is mitigated to an extent on account of the experience of the management and the group's well-established presence in its territory.

### **Rating Sensitivities**

- Movement in scale of operations
- Movement in Operating Margin
- Movement in Working Capital Operation.

### **Liquidity Position**

#### **Strong**

The liquidity profile of the company is strong. The net cash accruals of company stood at Rs. 37.74 Cr. in FY 24 against the debt obligation of Rs. 4.50 Cr. for the same period. Current ratio stood at 1.91 times for FY 24. The average fund based bank limit utilization is at 74.91% and non-fund based bank limit utilization is at 89.26% for the 10 months' period ending November 2024. The company has cash & bank position of Rs. 4.88 Cr. and Rs. 57.47 Cr. investment in fixed deposits which is entirely unencumbered. Acuite believes that the liquidity of the company would remain strong due to healthy cash accruals, small debt obligations, moderate current ratio over the medium term.

### **Outlook: Stable**

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	477.04	392.96
PAT	Rs. Cr.	22.00	16.28
PAT Margin	(%)	4.61	4.14
Total Debt/Tangible Net Worth	Times	0.47	0.53
PBDIT/Interest	Times	6.23	5.36

### 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
02 Nov 2023	Cash Credit	Long Term	0.50	ACUITE A-   Stable (Reaffirmed)
	Cash Credit	Long Term	50.00	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	5.75	ACUITE A-   Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE A-   Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	11.00	ACUITE A-   Stable (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	80.25	ACUITE A2+ (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	20.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	27.50	ACUITE A2+ (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	20.00	ACUITE A2+ (Assigned)
	Proposed Short Term Bank Facility	Short Term	40.00	ACUITE A2+ (Assigned)
09 Aug 2022	Cash Credit	Long Term	0.50	ACUITE A-   Stable (Reaffirmed)
	Cash Credit	Long Term	50.00	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	5.75	ACUITE A-   Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE A-   Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	11.00	ACUITE A-   Stable (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	80.25	ACUITE A2+ (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	20.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	27.50	ACUITE A2+ (Reaffirmed)

## 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/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	74.50	Simple	ACUITE A1   Upgraded ( from ACUITE A2+ )
Canara Bank	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A1   Upgraded ( from ACUITE A2+ )
Punjab National Bank	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	47.50	Simple	ACUITE A1   Upgraded ( from ACUITE A2+ )
HDFC Bank Ltd	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE A1   Upgraded ( from ACUITE A2+ )
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A   Stable   Upgraded ( from ACUITE A- )
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITE A   Stable   Upgraded ( from ACUITE A- )
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.50	Simple	ACUITE A   Stable   Upgraded ( from ACUITE A- )
State Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	30 Jun 2027	4.50	Simple	ACUITE A   Stable   Upgraded ( from ACUITE A- )
State Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	24 Sep 2025	1.07	Simple	ACUITE A   Stable   Upgraded ( from ACUITE A- )
Not Applicable	Not avl. / Not appl.	Proposed Long Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	11.00	Simple	ACUITE A   Stable   Upgraded ( from ACUITE A- )
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.93	Simple	ACUITE A1   Upgraded ( from ACUITE A2+ )

## Contacts

Mohit Jain Senior Vice President-Rating Operations	<b>Contact details exclusively for investors and lenders</b>
Siddharth Garg 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.