



Press Release

Shri Satyasai Baba Infra Ventures Private Limited (Erstwhile Shri Satyasai Baba)

January 31, 2025

Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	116.75	ACUITE BBB+ Stable Assigned	-
Bank Loan Ratings	25.00	ACUITE BBB+ Stable Reaffirmed	-
Bank Loan Ratings	75.00	-	ACUITE A2 Assigned
Bank Loan Ratings	71.00	-	ACUITE A2 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	287.75	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITE BBB+**' (read as **ACUITE triple B pl ÷**) and its short-term rating of '**ACUITE A2**' (read as **ACUITE A two**) on the Rs.96 Cr. bank facilities of Shri Satyasai Baba Infra Ventures Private Limited (Erstwhile Shri Satyasai Baba) (SSBIVPL). The outlook is '**Stable**'.

Acuite has assigned its long-term rating of '**ACUITE BBB+**' (read as **ACUITE triple B pl ÷**) and its short-term rating of '**ACUITE A2**' (read as **ACUITE A two**) on the Rs.191.75 Cr. enhancement of bank facilities of Shri Satyasai Baba Infra Ventures Private Limited (Erstwhile Shri Satyasai Baba) (SSBIVPL). The outlook is '**Stable**'.

Rationale for rating reaffirmation:

The rating reaffirmation considers SSBIVPL's established track record, promoters extensive experience in the industry and improved operating performance in FY24 backed by healthy order book position. The rating also draws comfort from the healthy financial risk profile, efficient working capital operations and strong liquidity position of the company. However, the rating is constrained due to high dependence on government orders and susceptibility of profitability to volatility to input prices. Going forward, the company's ability to sustain the growth in revenue by timely executing the orders and maintaining healthy profitability will be a key rating monitorable.

About the Company

Established in 1997 as a proprietorship concern, reconstituted as a partnership firm in the year 2000 and as a Private Limited company in 2020, Shri Satyasai Baba Infra Ventures Private Limited (SSBIVPL) is a Latur-based company promoted by Mr. Dilip Raosaheb Mane, Mrs. Savita Dilip Mane, Mr. Dinesh Mane and Mr. Ritesh Dilip Mane. The company is engaged in civil construction for roads, bridges and flyovers among others. It caters to Central Railways, State Government, NHA and Public Works Department.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered the standalone view of the business and financial risk profile of SSBIVPL to arrive at this rating.

Key Rating Drivers

Strengths

Established track record of operations and experienced management

Established in the year 1997 by Mr. Dilip Raosaheb Mane, SSBIIVPL has been executing civil construction contracts in Maharashtra for more than two decades. Mr. Dilip Raosaheb Mane has experience of over two decades in the civil construction industry. The company is engaged in providing different types of civil construction services segments such as bridge constructions, road, water irrigation projects, dam construction under government and railway entities. The company only undertakes government projects located in Maharashtra and is expected to enter into the states of Telangana and Karnataka going ahead. With the help of extensive experience of promoters, the company has been able to undertake various projects from reputed government clientele such as Indian Railways, National Highway Authority of India (NHAI), and Public Works Department (PWD) among others.

Acuité believes that SSBIIVPL will continue to benefit from its established track record of operations and experienced management.

Sustenance in operating performance

SSBIIVPL has registered revenue of Rs.340.43 Cr. in FY24 as against Rs.219.62 Cr. in FY2023. Further the company has sustained similar growth in the current year with revenue of Rs.343.19 Cr. in 9MFY2025. The company has a healthy unexecuted order book of Rs.1387.00 Cr. EBITDA margin has marginally deteriorated yet remaining healthy at 12.43 percent in FY24 against 13.62 percent of FY23.

Acuité believes, SSBIIVPL will continue to sustain its operating performance in the near to medium term backed by healthy order book position.

Healthy Financial risk profile

The financial risk profile of the company has remained healthy with moderate net worth and debt protection metrics. The net worth of the company stood at Rs.133.20 Cr. as on March 31, 2024 against Rs.102.81 Cr. during previous year. Improvement in net worth is primarily on account of accretion to reserves during the year. The debt to equity stood at 0.25 times as on March 31, 2024 as against 0.10 times as on March 31, 2023. The coverage indicators were healthy with DSCR of 12.85 times as on March 31st 2024 as against 9.26 times as on March 31st 2023. Interest coverage stood at 24.56 times as on March 31st 2024 as against 20.09 times as on March 31st 2023. The company incurred the capex for construction of 37 MW solar power plant in the region of Latur, Maharashtra. The electricity generated will be directly sold to the government. The scheduled commercial operational date is 05-09-2025. The total project cost is around Rs. 133.87 Cr. which will be funded through the term loan of Rs. 98.75 Cr. and rest through own funds.

Acuité believes that the debt funded capex likely to impact financial risk profile of the company to an extent.

Efficient Working capital operations

The working capital management of the company remained efficient with GCA days at 40 as on March 31, 2024 as against 48 days as on March 31, 2023. Debtors collection period of the company stood low at 9 days in FY24 as against 11 days in FY23. Efficient working capital operation has led to low dependency on its fund-based working capital limits. The fund-based limits utilization stood at an average of 43.32 percent during the past 12 months ending October 2024.

Acuité believes that the efficient working capital management will be crucial to the SSBIIVPL in order to maintain a stable credit profile.

Weaknesses

High dependence on government orders, mitigated by established relations and efficient liaisoning with government authorities

SSBIIVPL does civil construction work mainly for Central Railway and Maharashtra Government, which indicates that the company's revenues are highly dependent on the number and value of tenders floated by State Government. Moreover, any further delays in the project execution of current projects along with the delayed receipt from Government and site related issues are likely to result in higher working capital requirements. However, this risk is mitigated, as SSBIIVPL has established relations with State Government departments, which resulted in timely realizations and winning of tenders at regular intervals.

Rating Sensitivities

- Higher-than-expected operating income (OI) along with improvement in profitability.
- Timely execution of order book and sustained increase in order inflow, providing revenue visibility in the medium term.
- Deterioration in working capital management leading to deterioration liquidity.

- Change in financial risk profile.

Liquidity Position

Strong

SSBIVPL's liquidity is strong marked by healthy Net cash accruals (NCA) to meet its debt repayment obligations. The company has reported NCA's of Rs. 37.36 Cr. as on March 31, 2024 against repayment obligations of Rs.1.04 Cr. for equipment loans for the same period. Besides, the company has Rs.0.48 Cr. unencumbered cash and bank balances as on March 31, 2024 as against Rs. 7.84 Cr. as on March 31, 2023. Adequate cash accruals and efficient working capital operations have led to low reliance on the fund based working capital limits which were utilized in the range of ~43.32 percent during the past 12 months ending October, 2024. Acuite believes that liquidity position of the company will remain strong in the medium term on account of sufficient NCA against repayment obligations.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	340.43	219.62
PAT	Rs. Cr.	30.48	21.17
PAT Margin	(%)	8.95	9.64
Total Debt/Tangible Net Worth	Times	0.25	0.10
PBDIT/Interest	Times	24.56	20.09

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>
- Rating Process and Timeline: <https://www.acuite.in/view-rating-criteria-67.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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
19 Feb 2024	Bank Guarantee (BLR)	Short Term	15.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	36.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	20.00	ACUITE A2 (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB+ Stable (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB+ Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB+ Stable (Reaffirmed)
21 Nov 2022	Bank Guarantee (BLR)	Short Term	36.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	20.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	15.00	ACUITE A2 (Assigned)
	Cash Credit	Long Term	10.00	ACUITE BBB+ Negative (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB+ Negative (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB+ Negative (Assigned)
03 Nov 2022	Bank Guarantee (BLR)	Short Term	17.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	3.00	ACUITE A2 (Assigned)
	Bank Guarantee (BLR)	Short Term	36.00	ACUITE A2 (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB+ Negative (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB+ Negative (Assigned)
	Cash Credit	Long Term	10.00	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
HDFC Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	36.00	Simple	ACUITE A2 Reaffirmed
ICICI Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A2 Reaffirmed
IDBI Bank Ltd.	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A2 Reaffirmed
IDBI Bank Ltd.	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A2 Assigned
HDFC Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A2 Assigned
Axis Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	26.50	Simple	ACUITE A2 Assigned
IDBI Bank Ltd.	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BBB+ Stable Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BBB+ Stable Reaffirmed
ICICI Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BBB+ Stable Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BBB+ Stable Assigned
Axis Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE BBB+ Stable Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.00	Simple	ACUITE BBB+ Stable Assigned
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.50	Simple	ACUITE A2 Assigned
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	07 Feb 2031	8.00	Simple	ACUITE BBB+ Stable Assigned
Bank of Maharashtra	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	21 Sep 2039	98.75	Simple	ACUITE BBB+ Stable Assigned

Contacts

Mohit Jain Senior Vice President-Rating Operations	Contact details exclusively for investors and lenders
Patel Sneh Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

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