



Press Release
SAFETY CONTROLS AND DEVICES LIMITED
June 11, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	17.00	ACUITE BBB- Stable Assigned	-
Bank Loan Ratings	83.00	-	ACUITE A3 Assigned
Total Outstanding Quantum (Rs. Cr)	100.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned the long-term rating of ‘**ACUITE BBB-**’ (read as **ACUITE triple B minusa**) and the short-term rating of ‘**ACUITE A3**’ (read as **ACUITE A three**) on Rs.100.00 crore of bank facilities of Safety Controls and Devices Limited (SCADL). The outlook is ‘**Stable**’.

Rationale for the rating

The rating reflects the company’s established track record of operations spanning almost one decade in executing electrical works projects. Further, company witnessed an improvement in its scale of operations marked by an operating income of Rs. 102.60 Cr. in FY2025 as against Rs. 53.35 Cr. in FY2024. The current order book of Rs. 314.81 Crore approximately as on 30th April 2025 provides revenue visibility over the medium term. The ratings also factor in company’s healthy financial risk profile marked by its moderate net worth, low gearing ratio and healthy debt protection ratios. However, the ratings are constrained by intensive working capital operations.

About the Company

Uttar Pradesh based Safety Controls and Devices Limited (SCADL) was initially established as a proprietorship concern in 1997 and later got converted into a private limited company in June 2015. Further in October 2023, it got converted into an unlisted public limited company. The company is engaged in erection of power sub-stations and installation of safety equipment. The company primarily has its presence in Uttar Pradesh, Uttarakhand and Bihar. The present directors are Mrs. Anjali Chopra, Mr. Rajnish Chopra, Ms. Kamna Sharma, Mr. Tanuj Kumar Saxena and Mr. Abhishek Chopra.

Unsupported Rating

Not applicable

Analytical Approach

Acuite has considered standalone financial and business risk profile of Safety Controls and Devices Limited (SCADL) to arrive at the rating.

Key Rating Drivers

Strengths

Experienced promoters

SCDL is promoted by Mr. Rajnish Chopra who is also the Managing Director in the company. He has been

associated with the company since inception and has an experience of over one decade in the erection of power sub-stations. He is actively involved in managing the day-today affairs of the company along with the support of qualified and experienced professional.

Improvement in Scale of operations

The company witnessed an improvement in the level in its scale of operations marked by an operating income of

Rs. 102.60 Cr. in FY2025 as against Rs. 53.35 Cr. in FY2024. Further, the company has a healthy unexecuted order book position to the tune of Rs. 314.81 Crore approximately as on 30th April 2025. Going forward, the ability of the company to bag new orders and timely execution of the existing orders will remain a key rating monitorable. The EBITDA margin of the company stood at 18.68 per cent in FY2025 as against 22.04 per cent in FY2024. The PAT margin of the company stood at 10.01 per cent in FY2025 against 12.35 per cent in FY2024. 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 some of its contracts. Going forward it is expected to be improved in near to medium term.

Healthy Financial Risk Profile

The financial risk profile of the company is healthy marked by net-worth of Rs. 46.50 Crore as on 31st March 2025 against Rs. 33.75 Crore as on 31st March 2024. Further, the total debt of the company stood at Rs. 28.62 Crore as on 31st March 2025 against Rs. 29.78 Crore as on 31st March 2024. The capital structure of the company is comfortable marked by gearing ratio of the company which stood at 0.62 times as on 31st March 2025 against 0.88 times as on 31st March 2024. Further, the coverage indicators of the company reflected by interest coverage ratio and debt service coverage ratio of the company which stood at 3.83 times and 1.89 times respectively as on 31st March 2025 against 3.43 times and 1.56 times respectively as on 31st March 2024. The TOL/TNW ratio of the company stood at 1.99 times as on 31st March 2025 against 1.59 times as on 31st March 2024 and DEBT-EBITDA of the company stood at 1.49 times as on 31st March 2025 against 2.34 times as on 31st March 2024. Acuité believes that going forward the financial risk profile of the company will remain healthy in near to medium term.

Healthy Order Book

SCADL has a healthy unexecuted order book position to the tune of Rs. 314.81 Crore approximately as on 30th April 2025. The OB/OI of the company stood at 3.07 times. Further, company has awarded L1 orders of worth Rs. ~295.95 Cr. Going forward, the ability of the company to bag new orders and timely execution of the existing orders will remain a key rating monitorable.

Weaknesses

Intensive Working Capital Operations

Company has intensive working capital operations as evident from gross current assets (GCA) of 417 days in FY2025 as compared to 491 days in FY2024. Intensiveness of Working capital is on account of Receivable Days. Debtor days stood at 315 days in FY2025 as against 327 days in FY2024. Debtor days are appearing high on year end because due to retention money which is 30% out of which 10% will be released after completion of erection work, next 10% will be released after it is accepted by transmission companies and remaining 10% will be released when project officially commence, resulting into higher debtor and debtor days. Inventory days stood at 53 days in FY25 against 91 days in FY24. Whereas, creditor days stood at 150 days in FY2025 against 126 days in FY2024. Acuité believes that the working capital operations of the company will remain at same level due to nature of the business.

Highly competitive industry marked by tender based nature of business

The company's performance is susceptible to the tender based nature of business, where the business depends on the ability to bid for contracts successfully. Risk become more pronounced as tendering is based on minimum amount of bidding of contracts.

Rating Sensitivities

- Movement in scale of operations and operating margin
- Timely execution of order book
- Movement in Working capital operations

Liquidity Position

Adequate

The liquidity profile of the company is adequate. The net cash accruals of company stood at Rs. 10.56 Cr. in FY25 against the repayment of Rs. 3.21 Cr. for the same period. The company has cash & bank position of Rs. 0.17 Cr. and current ratio stood at 1.33 times for FY25. The average fund based bank limit utilization is at ~75.45% and non-fund based bank limit utilization is at ~70.30% for the 11 months' period ending April 2025. Acuité believes that the company will continue to enjoy adequate liquidity at the back of healthy cash accruals and absence of debt funded capex plans over the medium term.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	102.60	53.35
PAT	Rs. Cr.	10.27	6.59
PAT Margin	(%)	10.01	12.35
Total Debt/Tangible Net Worth	Times	0.62	0.88
PBDIT/Interest	Times	3.83	3.43

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

IND-RA, vide its press release dated December 13th, 2024 had denoted the rating of Safety Controls and Devices Limited as IND-RA B+/ Negative/ A4 'Downgraded and Issuer not co-operating'.

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, 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 :

Not applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
ICICI Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	18.00	Simple	ACUITE A3 Assigned
Canara Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	62.50	Simple	ACUITE A3 Assigned
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE BBB- Stable Assigned
Canara Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.50	Simple	ACUITE A3 Assigned
ICICI Bank Ltd	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE BBB- Stable Assigned

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About Acuité Ratings & Research

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