

July 13, 2021

STUP Consultants Private Limited - Update on material event; Rating placed on watch with developing implications

Summary of rating(s) outstanding

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term – Fund Based - Cash credit	17.00	17.00	[ICRA]BBB+ &; Put on rating watch with developing implications
Long-term – Non-Fund Based Bank Guarantee	68.00	68.00	[ICRA]BBB+ &; Put on rating watch with developing implications
Total	85.00	85.00	

*Instrument details are provided in Annexure-1

Rationale

Material Event

ICRA notes the acquisition of 99% stake in STUP Consultants Private Limited (SCPL) by the French engineering group Assystem S.A. on July 02, 2021.

Impact of the Material Event

Given the above development, the rating has been put on watch with developing implications. ICRA will seek detailed meetings with the new management to fully understand the implications of the above change in promoters, on the business plan, strategy and financial profile of the company, after which the rating action would be concluded.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology
Parent/Group Support	Not Applicable
Consolidation/Standalone	The rating is based on the standalone financial profile of the company.

About the company

SCPL is a project delivery consultancy company offering integrated planning, architectural, engineering and project management services for transportation, telecommunications, commercial, institutional, recreational, power and manufacturing facility infrastructure. SCPL was initially established as STUP India in 1963 as the Asian arm of STUP France. The company was founded under the chairmanship of Mr. Yves Guyon, the technical director of STUP France and a pioneer in prestressed concrete design. In 1969, STUP India was renamed as STUP Consultants Private Limited, and was promoted by the

Alimchandani family till June 2021. The company has been acquired by the French engineering group Assystem S.A in July 2021.

Key financial indicators (audited)

STUP Consolidated	FY2019	FY2020
Operating Income (Rs. crore)	233.9	215.8
PAT (Rs. crore)	30.2	31.5
OPBDIT/OI (%)	15.9%	16.6%
PAT/OI (%)	18.8%	16.7%
Total Outside Liabilities/Tangible Net Worth (times)	0.4	0.4
Total Debt/OPBDIT (times)	0.3	0.2
Interest Coverage (times)	10.4	12.9

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

Source: Company, ICRA research

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three year

	Instrument	Current Rating (FY2022)			Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in	Date & Rating in	Date & Rating in	Date & Rating in
					Jul 13, 2021	Feb 24, 2021	Jan 28, 2020	Nov 15, 2018
1	Cash Credit	Long Term	17.00	-	[ICRA]BBB+ &	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)
2	Bank Guarantee	Long Term	68.00	-	[ICRA]BBB+ &	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long Term – Fund Based - Cash credit	Simple
Long-term – Non-Fund Based Bank Guarantee	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analyzing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	17.00	[ICRA]BBB+ &
NA	Bank Guarantee	NA	NA	NA	68.00	[ICRA]BBB+ &

Source: STUP Consultants Private Limited

Annexure-2: List of entities considered for consolidated analysis - Not Applicable.

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About ICRA Limited:

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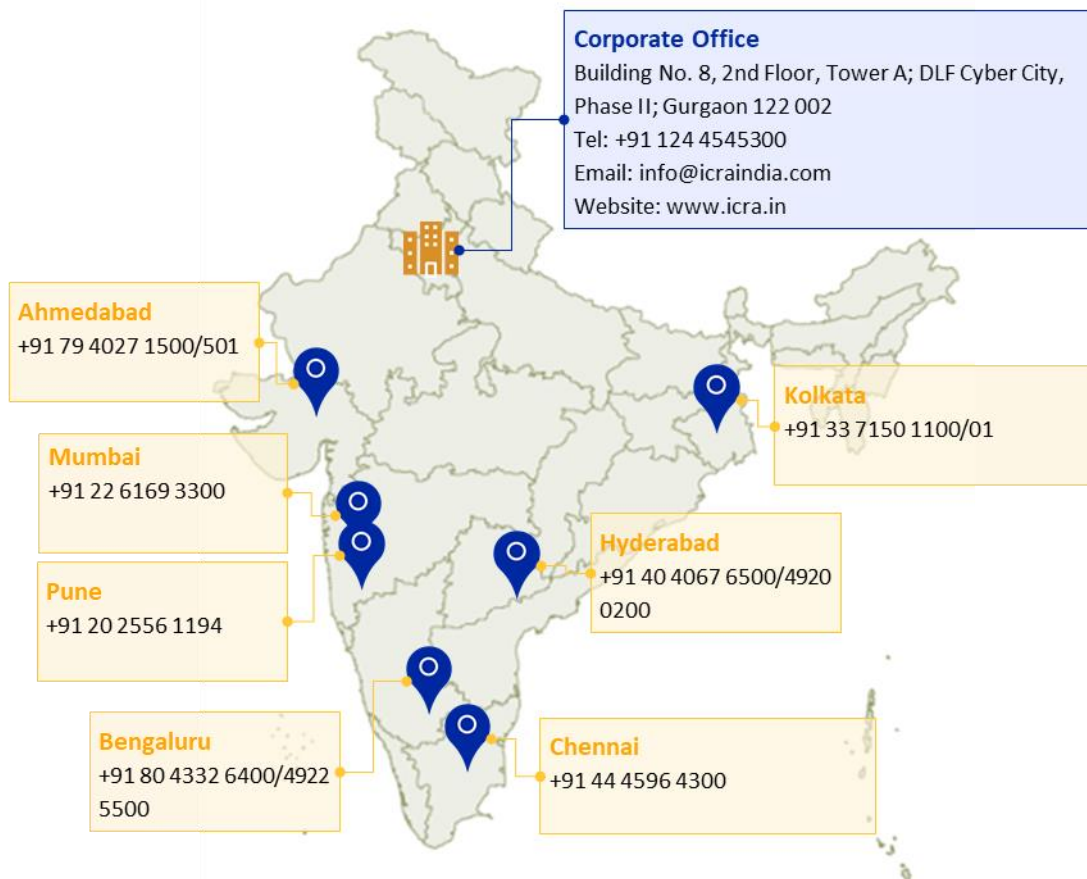
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