

August 02, 2017

Saisudhir Infrastructures Limited

Summary of rated instruments

Instrument [^]	Rated Amount (in Rs. crore)	Rating Action
Long-term Fund-based Limits	147.68	[ICRA]D ISSUER NOT COOPERATING*; Rating moved to the 'Issuer Not Cooperating' category
Long-term Unallocated Limits	13.42	[ICRA]D ISSUER NOT COOPERATING*; Rating moved to the 'Issuer Not Cooperating' category
Total	161.10	

*Issuer did not co-operate; based on best available information

[^]Instrument details are provided in Annexure-1

Rating action

ICRA has moved the ratings for the Rs. 161.10 crore bank facilities of Saisudhir Infrastructures Limited to the 'Issuer Not Cooperating' category. The rating is now denoted as: "[ICRA]D ISSUER NOT COOPERATING".

Rationale

The rating takes into account continued delays in debt servicing by the entity. As part of its process and in accordance with its rating agreement with Saisudhir Infrastructures Limited (SSIL), ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information, and in line with SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA's Rating Committee has taken a rating view based on the best available information.

Key rating drivers

Credit strengths

Over 15 years of experience in execution of contracts pertaining to waterworks; Successfully completed numerous projects in Karnataka in waterworks execution

Credit weaknesses

Account is declared as non-performing asset; Multiple instances of LC devolvement after the Corporate Debt Restructuring (CDR); Outstanding LC devolvement and delays in servicing interest



Description of key rating drivers

ICRA's rating factors in the continued delays by SSIL in servicing its debt obligations. In FY15, there were several instances of LC devolvments and BG invocations and consequently SSIL had opted for Corporate Debt restructuring in August 2014. Subsequently, the interest payments have commenced in April 2015 and further principal repayments commenced in December 2015. However, there have been several instances of LC devolvments and delays in repayment of the term loans in FY2016. The delays are on account of inability of the company to win adequate orders, ramp up its operations and generate adequate cash flows.

Analytical approach

For arriving at the ratings, ICRA has applied its rating methodologies as indicated below.

Links to applicable criteria

[Corporate Credit Ratings: A Note on Methodology](#)

[Rating Methodology for Construction Entities](#)

[Policy on non-cooperation by rated entity](#)

[Policy on Default Recognition](#)

About the company

Saisudhir Infrastructures Limited (SSIL) is incorporated in 1999 and was promoted by Mr. D. Shreedhar Reddy. SSIL has an expertise in water supply & waste water treatment segment. The projects executed are in the field of water distribution networks, sewerage treatment plants etc. Over the past 3-4 years, the company has diversified into other business segments like- solid waste management plants, power transmission and sub-stations, solar power projects, building construction and irrigation projects.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

**Rating history for last three years
Table**

S.No	Instrument	Current Rating			Chronology of Rating History for the past 3 years		
		Type	Rated amount (Rs. Crore)	Month-year & Rating	Month-year & Rating in FY2017	Month-year & Rating in FY2016	Month-year & Rating in FY2015
				August 2017	-	Mar-16	
1	Cash Credit	Long Term	147.68	[ICRA]D ISSUER NOT COOPERATING*;	-	[ICRA]D	-
2	Unallocated	Long Term	13.42	[ICRA]D ISSUER NOT COOPERATING*;	-	[ICRA]D	-

*Issuer did not co-operate; based on best available information

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1
Instrument Details

Name of the instrument	Date of issuance	Coupon rate	Maturity Date	Size of the issue (Rs. Crore)	Current Rating and Outlook
Cash Credit	-	-	-	147.68	[ICRA]D ISSUER NOT COOPERATING*;
Unallocated Limits	-	-	-	13.42	[ICRA]D ISSUER NOT COOPERATING*;

*Issuer did not co-operate; based on best available information
 (Source: SSIL)

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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