

July 8, 2026

## S & P STRUCTURALS PRIVATE LIMITED: [ICRA]BB- (Stable); assigned

### Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Issuer rating	-	[ICRA]BB- (Stable); assigned
<b>Total</b>	-	

\*Instrument details are provided in Annexure II

### Rationale

The rating assigned to S & P Structurals Private Limited (SPSPL) reflects the extensive experience of its promoters in engineering, procurement and construction (EPC) for power transmission and distribution and other allied works for Karnataka Power Transmission Corporation Limited (KPTCL) and other private players. With over a decade of experience and established track record in electrification related projects, the entity has worked for both private players and Government authorities, enabling the firm to secure repeat orders over the years. The ratings also consider the adequate order book position of around Rs. 94 crore as on March 31, 2026, providing near to medium-term revenue visibility.

The rating is, however constrained by the company's moderate scale of operations and low net worth base. Although earnings are likely to improve, driven by its order book growth, its key credit metrics are expected to remain moderate owing to reliance on working capital borrowings. The rating is further constrained by the high geographical and customer concentration risks, as the company is executing electrification works predominantly for KPTCL in Karnataka; although SPSPL has been executing projects for other players as well. SPSPL's operating profit margin (OPM) also remains susceptible to stiff competition and the tender driven nature of the business. Moreover, the entity remains vulnerable to inherent sectoral risks such as cost and time overruns. Additionally, the ratings remain constrained by the entity's sizeable exposure to contingent liabilities in the form of bank guarantees, mainly for contractual performance and security deposits.

The Stable outlook on the rating reflects ICRA's opinion that the firm is likely to improve its operating metrics, supported by execution of its order book and timely receipt of payments from its key customers.

### Key rating drivers and their description

#### Credit strengths

**Extensive experience of promoters** – SPSPL's promoters have more than a decade of experience in transmission and substation development related project works. The company has executed works for Government authorities across Karnataka, as well as for the railways and other private players. Further, the company has an established track record of executing projects for KCTPL, which enables repeat orders.

**Adequate order book** – SPSPL's revenues have increased to Rs. 54.6 crore in FY2026 from Rs. 13.4 crore in FY2022, primarily driven by improved order addition and steady execution of orders. This growth momentum is expected to continue in the near-to-medium term with a healthy order book of around Rs. 94 crore as on March 31, 2026, which translates into 1.7 times of its FY2026 revenues and provides medium-term revenue visibility. The company's ability to secure new orders and improve its pace of work execution will remain key, going forward.

## Credit challenges

**Moderate scale of operations and modest financial profile** – SPSPL’s scale of operations remains moderate with revenues of around Rs. 54.6 crore in FY2026. Although the revenues are expected to increase in the medium term, the scale is likely to remain moderate, constraining its operational and financial flexibility. Coupled with working capital intensive operations, this resulted in high dependency on external borrowings. Additionally, lower accretions to reserves have resulted in a low net worth base, thus moderating the financial profile. SPSPL’s financial profile is likely to remain modest in the medium term, given the limited earnings.

**High geographical and customer concentration risks** – The project portfolio in SPSPL’s order book is mainly focused on Karnataka, exposing it to region-specific economic and political risks. Additionally, about 90% of the pending order book (as of March 2026) is from KPTCL, indicating significant customer concentration risk.

**Intensely competitive industry** – The competition is intense in the EPC business, given the low complexity of the work involved, which may adversely impact the profitability of the company. The rating is constrained by the inherent exposure to sizeable contingent liabilities in the form of bank guarantees, mainly for contractual performance and security deposits.

## Liquidity position: Stretched

The company's liquidity position is expected to remain stretched due to limited buffer in working capital limits and minimal free cash and bank balances. The company has fund-based working capital limits of Rs. 8.5 crore, with an average utilisation of around 36% over the past 12 months ending in April 2026. The company is projected to generate cash accruals of around Rs. 2.5-3 crore in FY2027. It does not have any repayment obligations in FY2027. The liquidity is expected to be supported by the timely receipt of payments from key customers.

## Rating sensitivities

**Positive factors** – The ratings could be upgraded if there is sustained increase in the company’s revenues and earnings leading to strengthening of its net worth position and improvement in its debt coverage metrics and liquidity position.

**Negative factors** – Pressure on the ratings could arise if there is a material decline in the company’s revenues and earnings, or if elongation in the working capital cycle weakens the debt coverage indicators and liquidity position on a sustained basis.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology Construction</a>
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

## About the company

S & P Structural Private Limited was incorporated in 2007 with the merger of S&P Constructions and Mahesh Engineering Constructions, which had been in the business of construction and commissioning of high-power transmission lines and sub-stations since 1989 and 1995, respectively. The company executes works for Karnataka Power Transmission Corporation Limited and other private companies on a turnkey and sub-contract basis. It has commissioned projects of various voltages ranging from 66 kV to 220 kV transmission lines (single, double and multi circuit lines) and 110 kV and 220 kV sub-stations.

### Key financial indicators (audited)

SPSPL - Standalone	FY2025	FY2026*
Operating income	25.4	54.6
PAT	1.0	2.8
OPBDITA/OI	7.4%	8.1%
PAT/OI	4.0%	5.2%
Total outside liabilities/Tangible net worth (times)	1.5	0.7
Total debt/OPBDITA (times)	4.7	0.3
Interest coverage (times)	4.7	7.1

Source: Company, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation; \* Provisional numbers

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

## Rating history for past three years

Instruments	Current ratings (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	July 8, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
<b>Issuer rating</b>	Long-term	-	[ICRA]BB- (Stable)	-	-	-	-	-	-

### Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA-rated instruments fall under the regulatory purview of various Financial Sector Regulators (FSRs), as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(\*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under the regulatory purview of various FSRs, as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)

8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

**Disclosure:** SEBI’s grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSRs other than SEBI.

### Complexity level of the rated instruments

Instrument	Complexity indicator
Issuer rating	Not applicable

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 analysing 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 are available on ICRA’s website: [Click Here](#)

#### Annexure II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Issuer rating	NA	NA	NA	-	[ICRA]BB- (Stable)

Source: Company

#### Annexure III: List of entities considered for consolidated analysis – Not applicable

## ANALYST CONTACTS

**Jitin Makkar**

+91 124 4545 368

[jitinm@icraindia.com](mailto:jitinm@icraindia.com)

**Uday Kumar**

+91 124 4545 867

[uday.kumar@icraindia.com](mailto:uday.kumar@icraindia.com)

**Vilasagaram Nandakishore**

+91 40 6939 6407

[vilasagaram.nandakishore@icraindia.com](mailto:vilasagaram.nandakishore@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

## 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.

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## ICRA Limited



### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



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