

## SR Corporate Consultant Private Limited

March 12, 2024

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	3.00	CARE B+; Stable; ISSUER NOT COOPERATING*	Revised from CARE BB-; Stable and moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	3.00	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*	Revised from CARE BB-; Stable / CARE A4 and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1

\*Issuer did not cooperate; based on best available information.

### Rationale and key rating drivers

CARE Ratings Ltd. has been seeking information from SR Corporate Consultant Private Limited (SCCPL) to monitor the rating vide e-mail communications dated December 06, 2023, January 05, 2024, February 13, 2024, February 16, 2024, February 21, 2024, February 29, 2024, March 01, 2024 and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. The ratings of SCCPL's bank facilities will now be denoted as **CARE B+; Stable; ISSUER NOT COOPERATING\*/CARE A4; ISSUER NOT COOPERATING\***.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating.**

The ratings assigned to the bank facilities of SR Corporate Consultant Private Limited (SCCPL) have been revised on account of non-availability of requisite information. The ratings assigned to the bank facilities of SCCPL remained constrained on account of modest scale of operations with moderate profit margins and working capital intensive nature of operation during FY23 (refers to the period April 01 to March 31). The ratings, further, remained constrained on account of customer and supplier concentration risk with tender driven nature of operation and presence in highly competitive and fragmented industry. Ratings, however, continue to derive strength from the well qualified and experienced promoters and second line of management, Long track record of operation and registered and empanelled with various government organizations with strong order book position and comfortable capital structure as well as debt coverage indicator.

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of the key rating drivers:

At the time of last rating on March 31, 2023 following were the rating strengths and weaknesses. (updated from the information available from the registrar of the companies):

### Key weaknesses

#### Modest scale of operations and moderate profitability

The scale of operations marked by total operating income (TOI) has improved by 67.73% and stood modest at Rs.39.93 crore in FY23 vis-à-vis Rs.23.81 crore owing to increase in sale of solar products along with income from related services.

Profit margins remained moderate. Operating profitability margin declined slightly to 7.14% in FY23 from 7.81% in FY22 owing to increase in material procurement cost. Consequently, PAT margin has also declined slightly to 4.13% in FY23 as against 4.71% in FY22. However, PBILDT and PAT has improved in absolute terms and remained at Rs. 2.85 crore and 1.65 crore respectively during FY23 as against Rs. 1.86 crore and Rs. 1.12 crore respectively during FY22.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

### Working capital intensive nature of operation

The operations of the firm remained working capital intensive as marked by elongated operating cycle at 125 days during FY23 although improved from 200 days in FY22 primary due to improvement in collection efficiency. The collection days have been improved from 254 days in FY22 to 105 days in FY23.

### Presence in highly competitive & fragmented industry

The company operates in a highly competitive and fragmented industry with low entry barriers and thereby faces competition from many organised and unorganised players, which has led to increased competition. Furthermore, with increasing growth opportunities for solar energy sector due to government support/incentives, more players are entering the industry thereby facing intense competition from the market.

### Customer and supplier concentration risk with tender driven nature of operations

Since FY22 the customer base is shifted from Government entities to private parties., wherein they will work on 20- 30% advance and balance on percentage completion basis, thereby will result in improvement in collection period.

### Key Strengths

#### Well qualified and experienced promoters and strong second line of management

Mr. Surendra Kumar Jain is a highly qualified and experienced professional. He holds a fellow membership of the Institute of Company Secretaries of India (ICSI), Associate member of Institute of Chartered Accountants of India (ICAI), (1990, 42nd Rank), a fellow member, an associate member of The Institute of Cost & Management Accountants of India (ICMA) and Commerce Graduate from Kolkata University, Kolkata, WB. A Legal Technocrat with more than 29 years of experience in the field of Corporate Law, Finance and Management. Mrs. Ritu S. Jain, fellow member of the Institute of Chartered Accounts of India (ICAI), (1991, 43rd Rank), qualified Information System Auditor (DISA), Science (Maths) graduate from Pt. Ravishankar University, Raipur (Gold medalist), Degree holder in Energy for sustainable development from The International Institute for Industrial Environmental Economics, Lund University, Sweden. Further SRCCPL has experienced and specialized second line of management who are specialized in respective fields to carry out day to day activities.

#### Long track record of operation and registered and empanelled with various government organizations with strong order book position

The extensive experience of promoters in solar industry with its existence since 2003, have helped to develop business relationship with existing as well as new clients & have generated sizeable business on continual basis. Over the years they have developed established strong relationship with various government agencies namely Solar Energy Corporation of India (SECI), Chhattisgarh State Renewable Energy Development Agency (CREDA), Chhattisgarh Biofuel Development Board (CBDA), Ministry of New and Renewable Energy (MNRE), Central Electricity Regulatory Commission (CERC), Ministry of Environment & Forestry (MoEF), Assam Power Distribution Company Limited (APDCL), NTPC Limited etc. for which the company regularly bids tenders and gets regular flow of orders. Company has healthy order book position of Rs. 135.14 crore as on January 01, 2023 and it will be executed till June, 2024. Thus, provides medium term revenue visibility to the company. One of the major order Solar park project is of 30MW (15MW x 2) is of Rs. 120 crore approx. Project has to be executed in 2 phases, 1st phase 15 MW installation will be completed and scheduled date of completion is December 2023 and 2nd phase 15 MW is scheduled to be completed by June 2024. The company will get 20% of value of project in advance, and balance payment will be released in phase wise manner

#### Comfortable capital structure and debt coverage indicator

Capital structure marked by overall gearing stood comfortable at 0.37x as on March 31, 2023 as against 0.57x as on March 31, 2022 on account of improved tangible net worth due to accretion of profits to reserves. Further, as a result of increase in profitability in absolute terms, Debt coverage indicators marked by total debt/GCA and interest coverage improved and stood comfortable in FY23 at 2.55 years and 5.04x respectively as against 4.96 years and 2.75x respectively in FY22.

### Applicable criteria

[CARE Ratings' criteria on information adequacy risk and issuer non-cooperation](#)

[Policy on Default Recognition](#)

[Financial Ratios – Non-financial Sector](#)

[Criteria on assigning outlook and credit watch](#)

[CARE Ratings' criteria for rating of Short-Term Instruments](#)

### About the company and Industry

#### Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Services	Services	Commercial Services & Supplies	Consulting Services

SR Corporate Consultant Private Ltd (SRCCL) was incorporated in February 16, 1998 as "P.S. Lahari Agro Mill Private Limited" which was promoted by Mr. Pradeep Kumar Agarwal and Mrs. Sharda Goyal of Raipur, Chhattisgarh. Subsequently in October 2003, the company was acquired by Mr. Surendra Kumar Jain and Mrs. Ritu Jain based out of Raipur, Chhattisgarh and was rechristened to its present name. The company is primarily engaged in engineering, procurement and installation of various types of solar and biomass-based power projects on turnkey basis and also provides the after sales services as per the signed agreement terms & conditions. Apart from this, the company also renders services which are related to renewable energy like project consultancy & management, compliance audit, capacity development, renewable energy certification, etc. The company is accredited by quality systems certifications of ISO: 9001:2008. The company operates through its offices located in Delhi, Kolkata and Raipur. SRCCL delivers a comprehensive package of solar services and cover all aspects of the solar project lifecycle and also offer end-to-end solar solutions for both on-grid and off-grid project.

Brief Financials (Rs. crore)	March 31, 2022 (A)	March 31, 2023(A)
Total operating income	23.81	39.93
PBILDT	1.86	2.85
PAT	1.12	1.65
Overall gearing (times)	0.57	0.37
Interest coverage (times)	2.75	5.04

A: Audited, Note: 'the above results are latest financial results available'

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

**Any other information:** Not Applicable

**Rating history for last three years:** Please refer Annexure-2

**Covenants of rated instrument / facility:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various instruments rated:** Annexure-4

**Lender details:** Annexure-5

#### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	3.00	CARE B+; Stable; ISSUER NOT COOPERATING*
Non-fund-based - LT/ ST-BG/LC		-	-	-	3.00	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information.

**Annexure-2: Rating history for the last three years**

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Fund-based - LT-Cash Credit	LT	3.00	CARE B+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable (31-Mar-23)	1)CARE BB-; Stable (24-Mar-22)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (30-Dec-20)
2	Non-fund-based - LT/ ST-BG/LC	LT /ST ^	3.00	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable / CARE A4 (31-Mar-23)	1)CARE BB-; Stable / CARE A4 (24-Mar-22)	1)CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING* (30-Dec-20)

\*Issuer did not cooperate; based on best available information, ^Long term/Short term

**Annexure-3: Detailed explanation of covenants of the rated instruments/facilities:** Not Applicable**Annexure-4: Complexity level of the various instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - LT/ ST-BG/LC	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on the complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for any clarifications.

## Contact us

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### About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

### Disclaimer:

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