

Sunil Hitech Engineers Limited

March 18, 2019

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long term bank facilities	412.00	CARE D; ISSUER NOT COOPERATING* [Single D; ISSUER NOT COOPERATING*]	Issuer not cooperating, Rating reaffirmed; Based on best available information
Long term bank facilities	421.00	CARE D; ISSUER NOT COOPERATING* [Single D; ISSUER NOT COOPERATING*]	Issuer not cooperating, Rating reaffirmed; Based on best available information
Long term/ short term bank facilities	1138.00	CARE D/ CARE D; ISSUER NOT COOPERATING* [Single D/ Single D; ISSUER NOT COOPERATING*]	Issuer not cooperating, Rating reaffirmed; Based on best available information
Total	1971.00 (Rs. One thousand nine hundred and seventy one crore only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

*Sunil Hitech Engineers Limited (SHEL) has not paid the surveillance fees for the rating exercise agreed to in its Rating Agreement. In line with the extant SEBI guidelines, CARE's rating on SHEL's bank facilities will now be denoted as **CARE D; 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(s).

Detailed description of the key rating drivers

At the time of last rating on May 11, 2018, the following were the rating weaknesses (updated for the information available from the annual report published on the SHEL's website).

The ratings continue to take into account the ongoing delays in debt servicing resulting from the continued stress in liquidity position.

Key Rating Weaknesses

Ongoing delays in debt servicing (including LC devolvments and overdrawals in cash credit account):

Based on the due diligence carried out, there have been continuous LC devolvments as well as overdrawals in the cash credit account. This is mainly on account of the continued stress in the liquidity position.

Analytical approach: Standalone

Applicable Criteria:

[Policy in respect of Non-cooperation by issuer](#)
[CARE's Policy on Default Recognition](#)

About Sunil Hitech Engineers Limited:

SHEL was incorporated as a proprietorship concern under the name of Sunil Engineering Works in 1984 and was reconstituted as a private limited company in 1998. The company changed its name to the current one in August 2005. SHEL commenced operations in 1984 as a contractor securing and executing small works of fabrication, erection and other commissioning related works of thermal power plants. Over a period of time, the company has grown as a medium sized player in the infrastructure space and undertakes works related to civil and structural work, transmission and distribution, balance of power plants and operations and maintenance, installation of boilers and auxiliaries, civil and institutional buildings and roads. Since FY15, company selected to focus on road building and civil construction projects while moderating exposure to Balance of Plant power projects.

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

*Issuer did not cooperate; Based on best available information

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total operating income	2101.93	2507.69
PBILD	189.08	156.00
PAT	40.07	3.41
Overall gearing (times)	2.15	1.91
Interest coverage (times)	1.96	1.33

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	392.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - ST-Letter of credit	-	-	-	411.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - LT/ST-Bank Guarantees	-	-	-	1138.00	CARE D / CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - ST-Bank Guarantees	-	-	-	10.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based - LT-Term Loan	-	-	June, 2020	20.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (23-Apr-15)
2.	Fund-based - LT-Cash Credit	LT	392.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	1)CARE D (11-May-18) 2)CARE BB; Negative (20-Apr-18)	1)CARE A-; Stable (27-Feb-18) 2)CARE A-; Stable (09-Oct-17)	1)CARE A- (03-Nov-16)	1)CARE A- (04-Aug-15) 2)CARE A- (23-Jul-15) 3)CARE BBB+ (23-Apr-15)
3.	Non-fund-based - ST-Letter of credit	ST	411.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	1)CARE D (11-May-18) 2)CARE A4 (20-Apr-18)	1)CARE A2+ (27-Feb-18) 2)CARE A2+ (09-Oct-17)	1)CARE A2+ (03-Nov-16)	1)CARE A2+ (04-Aug-15) 2)CARE A2+ (23-Jul-15) 3)CARE A2+ (23-Apr-15)
4.	Non-fund-based - LT/ST-Bank Guarantees	LT/ST	1138.00	CARE D / CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	1)CARE D / CARE D (11-May-18) 2)CARE BB; Negative / CARE A4 (20-Apr-18)	1)CARE A-; Stable / CARE A2+ (27-Feb-18) 2)CARE A-; Stable / CARE A2+ (09-Oct-17)	1)CARE A- / CARE A2+ (03-Nov-16)	1)CARE A- / CARE A2+ (04-Aug-15) 2)CARE A- / CARE A2+ (23-Jul-15) 3)CARE BBB+ / CARE A2+ (23-Apr-15)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
						(09-Oct-17)		(23-Apr-15)
5.	Non-fund-based - ST-Bank Guarantees	ST	10.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	1)CARE D (11-May-18) 2)CARE A4 (20-Apr-18)	1)CARE A2+ (27-Feb-18) 2)CARE A2+ (09-Oct-17)	1)CARE A2+ (03-Nov-16)	1)CARE A2+ (04-Aug-15)
6.	Fund-based - LT-Term Loan	LT	20.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	1)CARE D (11-May-18) 2)CARE BB; Negative (20-Apr-18)	1)CARE A-; Stable (27-Feb-18)	-	-
7.	Fund-based - LT-Term Loan	LT	-	-	1)Withdrawn (20-Apr-18)	-	-	-
8.	Fund-based - LT-Cash Credit	LT	-	-	1)Withdrawn (20-Apr-18)	-	-	-
9.	Non-fund-based - ST-Letter of credit	ST	-	-	1)Withdrawn (20-Apr-18)	-	-	-
10.	Non-fund-based - LT/ST-Bank Guarantees	LT/ST	-	-	1)Withdrawn (20-Apr-18)	-	-	-

*Issuer did not cooperate; Based on best available information

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