

Sunil Hitech Engineers Ltd.

May 11, 2018

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	412.00	CARE D (Single D)	Revised from CARE BB; Negative
Short Term Bank Facilities	421.00	CARE D (Single D)	Revised from CARE A4
Long/Short Term Bank Facilities	1138.00	CARE D/CARE D (Single D/Single D)	Revised from CARE BB; Negative/ CARE A4
Total	1,971.00 (Rs. One thousand nine hundred and seventy one crore only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

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

Detailed description of the key rating drivers

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

As per the banker interaction, there have been continuous LC devolvments as well as overdrawals in the cash credit account for around 30 to 35 days. This is mainly on account of the continued stress in the liquidity position. A combination of increasing working capitals requirements to support increasing turnover and order-book, inability of the company to secure additional bank lines (to fund the same) and slowdown in receipts from clients has resulted in increasing liquidity tightness for the company.

Analytical approach: Standalone

Applicable Criteria

[CARE's Policy on Default Recognition](#)

About the Company

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 definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

Brief Financials (Rs. crore)	FY16 (A)	FY17 (A)
Total operating income	1841.17	2101.92
PBILDT	190.24	189.08
PAT	48.11	40.07
Overall gearing (times)	1.78	1.94
Interest coverage (times)	2.21	1.96

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.

Analyst Contact:

Name: Sharmila Jain

Tel: 022 67543638

Email: sharmila.jain@careratings.com

****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
Non-fund-based - ST-Letter of credit	-	-	-	411.00	CARE D
Non-fund-based - LT/ ST-Bank Guarantees	-	-	-	1138.00	CARE D / CARE D
Non-fund-based - ST-Bank Guarantees	-	-	-	10.00	CARE D
Fund-based - LT-Term Loan	-	-	June 2020	20.00	CARE D

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	1)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	1)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	1)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)
5.	Non-fund-based - ST-Bank Guarantees	ST	10.00	CARE D	1)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	1)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)	-	-	-

CONTACT

Head Office Mumbai

Ms. Meenal Sikchi
Cell: + 91 98190 09839
E-mail: meenal.sikchi@careratings.com

Ms. Rashmi Narvankar
Cell: + 91 99675 70636
E-mail: rashmi.narvankar@careratings.com

Mr. Ankur Sachdeva
Cell: + 91 98196 98985
E-mail: ankur.sachdeva@careratings.com

Mr. Saikat Roy
Cell: + 91 98209 98779
E-mail: saikat.roy@careratings.com

CARE Ratings Limited

(Formerly known as Credit Analysis & Research Ltd.)

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022
Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com

AHMEDABAD

Mr. Deepak Prajapati
32, Titanium, Prahaladnagar Corporate Road,
Satellite, Ahmedabad - 380 015
Cell: +91-9099028864
Tel: +91-79-4026 5656
E-mail: deepak.prajapati@careratings.com

BENGALURU

Mr. V Pradeep Kumar
Unit No. 1101-1102, 11th Floor, Prestige Meridian II,
No. 30, M.G. Road, Bangalore - 560 001.
Cell: +91 98407 54521
Tel: +91-80-4115 0445, 4165 4529
Email: pradeep.kumar@careratings.com

CHANDIGARH

Mr. Anand Jha
SCF No. 54-55,
First Floor, Phase 11,
Sector 65, Mohali - 160062
Chandigarh
Cell: +91 85111-53511/99251-42264
Tel: +91- 0172-490-4000/01
Email: anand.jha@careratings.com

CHENNAI

Mr. V Pradeep Kumar
Unit No. O-509/C, Spencer Plaza, 5th Floor,
No. 769, Anna Salai, Chennai - 600 002.
Cell: +91 98407 54521
Tel: +91-44-2849 7812 / 0811
Email: pradeep.kumar@careratings.com

COIMBATORE

Mr. V Pradeep Kumar
T-3, 3rd Floor, Manchester Square
Puliakulam Road, Coimbatore - 641 037.
Tel: +91-422-4332399 / 4502399
Email: pradeep.kumar@careratings.com

HYDERABAD

Mr. Ramesh Bob
401, Ashoka Scintilla, 3-6-502, Himayat Nagar,
Hyderabad - 500 029.
Cell : + 91 90520 00521
Tel: +91-40-4010 2030
E-mail: ramesh.bob@careratings.com

JAIPUR

Mr. Nikhil Soni
304, Pashupati Akshat Heights, Plot No. D-91,
Madho Singh Road, Near Collectorate Circle,
Bani Park, Jaipur - 302 016.
Cell: +91 – 95490 33222
Tel: +91-141-402 0213 / 14
E-mail: nikhil.soni@careratings.com

KOLKATA

Ms. Priti Agarwal
3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)
10A, Shakespeare Sarani, Kolkata - 700 071.
Cell: +91-98319 67110
Tel: +91-33- 4018 1600
E-mail: priti.agarwal@careratings.com

NEW DELHI

Ms. Swati Agrawal
13th Floor, E-1 Block, Videocon Tower,
Jhandewalan Extension, New Delhi - 110 055.
Cell: +91-98117 45677
Tel: +91-11-4533 3200
E-mail: swati.agrawal@careratings.com

PUNE

Mr. Pratim Banerjee
9th Floor, Pride Kumar Senate,
Plot No. 970, Bhamburda, Senapati Bapat Road,
Shivaji Nagar, Pune - 411 015.
Cell: +91-98361 07331
Tel: +91-20- 4000 9000
E-mail: pratim.banerjee@careratings.com

CIN - L67190MH1993PLC071691