



Press Release

Ess Ess Kay Engineering Company Private Limited (SSK)

August 10, 2022

Ratings:

Instrument / Facility	Amount (INR Crore)	Ratings	Rating Action	Complexity Indicator (Simple/High /Complex
Long Term Fund Based Facility – Cash Credit	17.50	IVR BB+; INC (IVR Double B Plus; ISSUER NOT COOPERATING*)	Reaffirmed and moved to ISSUER NOT COOPERATI NG* category	Simple
Long Term Fund Based Facility – GECL	4.80	IVR BB+; INC (IVR Double B Plus; ISSUER NOT COOPERATING*)	Reaffirmed and moved to ISSUER NOT COOPERATI NG* category	Simple
Proposed Long Term Bank Facility	12.60	IVR BB+; INC (IVR Double B Plus; ISSUER NOT COOPERATING*)	Reaffirmed and moved to ISSUER NOT COOPERATI NG* category	Simple
Short Term Non-Fund Based Facility – Bank Guarantee	14.50	IVR A4+; INC (IVR A Four Plus; ISSUER NOT COOPERATING*)	Reaffirmed and moved to ISSUER NOT COOPERATI NG* category	Simple
Total	49.40 (Forty Nine Crore and Forty Lakhs)			

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

Details of Facilities are in Annexure 1

Detailed Rationale:

The rating revision is because of lack of adequate information regarding Ess Ess Kay Engineering Company Private Limited (SSK) and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.



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Non-cooperation by Issuer:

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide mail communications dated July 23, 2022, July 31, 2022, and August 5, 2022 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details and fees for surveillance exercise. Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the bank loan rating aggregating to INR49.40 Crore of Ess Ess Kay Engineering Company Private Limited (SSK) shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the Long term rating be noted as IVR BB+; ISSUER NOT CO-OPERATING and IVR A4+; ISSUER NOT CO-OPERATING based on best available information.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation](#) (Non-financial Sector)

[Guidelines on what constitutes Non-Cooperation by clients.](#)

About the Company:

EssEss Kay Engineering Company Private Limited (SSK) was incorporated in the year 1964 and engaged in manufacturing of modular switches, regular switches, board mounting switches, MCB, changeover switches, distribution board and panels, power control panels, mounted air conditioning unit for Indian Railways and LED lights, etc. The company currently operates under the brand name of 'SSK'. Presently, the business operations are over seen by Mr. Nitin Khosla (Managing Director) who has been into the business and in the industry since almost 4 decades.

Financials: Standalone

(INR. Crore)

For the year ended/ As On*	31-03-2020	31-03-2021
	(Audited)	(Audited)
Total Operating Income	175.67	136.18
EBITDA	11.32	10.85
PAT	2.32	3.83



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Total Debt	37.01	30.86
Tangible Net-worth	27.44	33.31
Ratios		
EBITDA Margin (%)	6.44	7.97
PAT Margin (%)	1.32	2.78
Overall Gearing Ratio (x)	1.35	0.93

*Classification as per Infomerics standards

Status of non-cooperation with previous CRA: Brickwork Ratings has moved the rating of EssEss Kay Engineering Company Private Limited to Issuer Non-Cooperating category as per the Press Release dated July 14, 2022

Any other information: NA

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22 (August 11, 2021)	Date(s) & Rating(s) assigned in 2020-21 (June 03rd, 2020)	Date(s) & Rating(s) assigned in 2020-21 (May 28th, 2020)
1.	Long Term Fund Based Facility – Cash Credit	Long Term	17.50	IVR BB+; ISSUER NOT COOPERATING	IVR BB+/Positive Outlook	IVR BB+/Stable Outlook	--
2.	Long Term Fund Based Facility – GECL	Long Term	4.80	IVR BB+; ISSUER NOT COOPERATING	IVR BB+/Positive Outlook	IVR BB+/Stable Outlook	--
3.	Proposed Long Term Bank Facility	Short Term	12.60	IVR A4+; ISSUER NOT COOPERATING	IVR BB+/Positive Outlook	IVR BB+/Stable Outlook	--
4.	Short Term Non-Fund Based Facility – Bank Guarantee	Short Term	14.50	IVR A4+; ISSUER NOT COOPERATING	IVR A4+	IVR A4+	--

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



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Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI). Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating. Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks. Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations. For more information visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are 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 us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities:

Name of Facility	ISIN No	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Long Term Fund Based Facility – Cash Credit	--	--	--	--	17.50	IVR BB+; ISSUER NOT COOPERATING
Long Term Fund Based Facility – GECL	--	--	--	August 31, 2024	4.80	IVR BB+; ISSUER NOT



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						COOPERATING
Proposed Long Term Bank Facility	--	--	--	--	12.60	IVR A4+; ISSUER NOT COOPERATING
Short Term Non-Fund Based Facility – Bank Guarantee	--	--	--	--	14.50	IVR A4+; ISSUER NOT COOPERATING

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

Annexure 2: List of companies considered for consolidated analysis: Not Applicable.

Annexure 3: Facility wise lender details: Not Applicable

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity level of the rated Instruments: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.