



Press Release

SBL Energy Limited

October 29, 2024

Ratings

Security Facility /	Amount (Rs. crore)	Current Rating	Previous Rating	Rating Action	Complexity Indicator
Long Term Bank Facilities	51.38	IVR BBB-; Negative; ISSUER NOT COOPERATING* (IVR Triple B Minus with Negative outlook; ISSUER NOT COOPERATING)	IVR BBB+ Under Rating Watch with developing implications (IVR Triple B Plus Under Rating Watch with developing implications)	Downgraded with Negative Outlook and removed from Rating Watch with Developing Implications and moved to ISSUER NOT COOPERATING category	Simple
Short Term Bank Facilities	77.00	IVR A3; ISSUER NOT COOPERATING* (IVR A Three; ISSUER NOT COOPERATING)	IVR A2 Under Rating Watch with developing implications (IVR A Two Under Rating Watch with developing implications)	Downgraded and removed from Rating Watch with Developing Implications and moved to ISSUER NOT COOPERATING category	
Total	128.38 (Rupees one hundred and twenty-eight crore and thirty-eight lakhs only)				

*Issuer did not cooperate; based on best available information

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has downgraded the rating assigned to the bank facilities of SBL Energy Limited (SEL) with negative outlook and removed it from Rating Watch with Developing Implications simultaneously moved the rating into ISSUER NOT COOPERATING category because of non-cooperation by the company despite repeated follow ups and lack of adequate information leading to information availability risk and hence uncertainty around its credit risk.



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Infomerics Ratings assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy. The outlook remains negative due to information availability risk.

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 company.

Non-cooperation by Issuer

Infomerics Ratings has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide E-mail communications dated August 28, 2024, October 01, 2024, October 14, 2024 and concurrently over several phone calls. However, despite repeated requests by Infomerics Ratings, the company's management has not submitted all the essential details required for detailed review of the assigned ratings. Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics Ratings has to assign the rating based on the best available information.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

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

[Criteria for assigning rating outlook](#)

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

[Policy of default recognition](#)

[Criteria on complexity](#)

Liquidity: Unable to comment due to non-availability of information despite repeated follow ups.

About the company

SBL Energy Limited (SEL) (formerly, Amin Explosives Pvt Ltd) was incorporated in 2002 and manufactures commercial explosives and explosion-related accessories like high explosives, bulk explosives, detonators, detonating fuse, safety fuse, PETN etc. SEL, based in Nagpur, was taken over by one Choudhary family in fiscal 2016.

Financials (Standalone): Latest financials not available



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(Rs. crore)

For the year ended/ As on*	31-03-2022	31-03-2023
	Audited	Audited
Total Operating Income	256.92	489.18
EBITDA	43.75	55.73
PAT	24.82	31.20
Total Debt	39.30	62.57
Tangible Net Worth	61.39	92.59
EBITDA Margin (%)	17.03	11.39
PAT Margin (%)	9.65	6.34
Overall Gearing Ratio (x)	0.64	0.68
Interest Coverage (x)	8.21	6.19

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2024-2025)			Rating History for the past 3 years				
		Type (Long Term / Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24		Date(s) & Rating(s) assigned in 2022-23		Date(s) & Rating(s) assigned in 2021-22
					Mar 07, 2024	Jun 29, 2023	Aug 08, 2022	July 20, 2022	Sep 22, 2021
1.	Term Loan	Long Term	26.38	IVR BBB-; Negative; ISSUER NOT COOPERATING*	IVR BBB+; RWDI	IVR BBB+; Stable	IVR BBB; Stable	IVR BBB; Stable	IVR BBB-; Stable
2.	Cash Credit	Long Term	25.00	IVR BBB-; Negative; ISSUER NOT COOPERATING*	IVR BBB+; RWDI	IVR BBB+; Stable	IVR BBB; Stable	IVR BBB; Stable	IVR BBB-; Stable
3.	Letter of Credit	Short Term	77.00	IVR A3; ISSUER NOT COOPERATING*	IVR A2; RWDI	IVR A2	IVR A3+	IVR A3+	IVR A3

*Issuer did not cooperate; based on best available information



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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please 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 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.



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Annexure 1: Instrument/Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – Term Loan	-	-	-	Nov 2027	26.38	IVR BBB-; Negative; ISSUER NOT COOPERATING*
Long Term Bank Facilities - Cash Credit	-	-	-	-	25.00	IVR BBB-; Negative; ISSUER NOT COOPERATING*
Short Term Bank Facilities - Letter of Credit	-	-	-	-	77.00	IVR A3; ISSUER NOT COOPERATING*

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

Annexure 2: Facility wise lender details: Not Available

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

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.