



## Press Release

**Sannverse Railtech Private Limited (SRPL)**  
**Erstwhile Known as Millennium Infra & Realty Projects Private**  
**Limited**

**November 10, 2023**

**Ratings:**

Instrument / Facility	Amount (Rs crore)	Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Fund Based Bank Facilities – Cash Credit	55.00	IVR BBB-/Stable (IVR Triple B minus with Stable Outlook)	Revised	Simple
Long Term Fund Based Bank Facilities – Proposed	40.00	IVR BBB-/Stable (IVR Triple B minus with Stable Outlook)	Revised	Simple
Short Term Non-Fund Based Facility - Bank Guarantee	37.50	IVR A3 (IVR A Three)	Revised	Simple
Short Term Fund Based Bank Facilities – Proposed	107.50	IVR A3 (IVR A Three)	Revised	Simple
<b>Total</b>	<b>240.00</b>			

**Details of Facilities are in Annexure 1**

**Detailed Rationale:**

The revision of the ratings assigned to the bank facilities of Sannverse Railtech Private Limited continue to derive strength from its experienced promoters in infrastructure sector, healthy order book, improved financial risk profile & comfortable capital structure and debt protection. However, the rating strengths are partially offset by exposure to competitive segment and inherent risk in nature of business & tender-based nature of operations with intense competition in the industry.



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### Key Rating Sensitivities:

#### Upward Factors:

- Growth in scale of operation with improvement in profit margins leading to improvement in cash accruals on sustained basis.
- Increase in order book and timely execution of the same

#### Downward Factors:

- Decline in operating income and profitability.
- Substantial decline in execution of work orders.
- Stretch in the working capital cycle negatively impacting liquidity position.

### Key Rating Drivers with detailed description:

#### Key Rating Strengths:

**Experienced Promoters in infrastructure sector** – Sannverse Railtech Pvt Ltd is a Telangana based Infrastructure Company promoted by Mr. Sanjeet Kumar Sharma and Mr. Janeshwar Pandey who are second generation in its business and have over three decades of experience in the infrastructure industry. The company is well supported by second line of management. The extensive experience of the promoters and established presence in the said industry has helped to maintain regular flow of orders.

**Healthy Order book** - The company has an unexecuted order book position Rs. 1654.21 Crore, thereby, giving medium term revenue visibility. However, the same is concentrated towards contracts from state government departments.

**Improved financial risk profile** - The total operating income improved to Rs. 248.95 Cr. in FY23 from that of Rs. 101.95 Cr. in FY22. Simultaneously, the EBITDA of the company improved to Rs 24.93 Cr in FY23 from Rs 10.80 Cr in FY22 and the PAT of the company stands improved to Rs 14.94 Crs in FY23 from Rs 6.44 Crs in FY22. The company has achieved revenues in tune of Rs 200crs for a period from April 23 to September 23 as informed by the management of the company.

**Comfortable capital structure and debt protection metrics** - The capital structure marked by an overall gearing stood at 0.68 times as on March 31, 2023. The net worth of the company stood at Rs.26.56 crore in FY 2023 as compared to Rs.11.77 crore in FY 2022. Interest service coverage ratio (ISCR) is healthy and stood 12.39 times in FY2023 as against 8.48 times in FY 2022. The debt service coverage ratio (DSCR) of the company also stood healthy at 5.05 times in FY2023.



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### Key Rating Weaknesses:

**Exposure to competitive segment and Inherent risk in nature of business** - Intense rivalry, many participants, and low entry barriers are characteristics of the industry. For government agencies, the corporation builds roads as part of its operations. Additionally, the fierce competition in this market may lead to aggressive project bidding, which would affect the company's profit margins. The primary business risks faced by the corporation in the sector include economic fragility, regulatory risks in developing markets, delays in government payments, project execution risk, and variable input costs.

**Tender-based nature of operations with intense competition in the industry** - The domestic infrastructure/construction market is extremely competitive, with many competitors of all sizes and skill levels present. Additionally, the company derives 90% of its work orders from government departments via tenders put forth by the departments and based on its success in winning these tenders amid fierce pricing competition. Due to the competitive nature of the industry, the company's profit margin may be under pressure. However, reassurance is provided by the promoters' lengthy career.

**Analytical Approach:** Standalone

### Applicable Criteria:

[Criteria of assigning Rating Outlook](#)

[Rating Methodology for Infrastructure Companies](#)

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

### Liquidity – Adequate

The liquidity position of the company is expected to remain adequate characterized by moderate cushion in its gross cash accruals of Rs. 16.26 Cr in FY23. The current and quick ratios remained comfortable at 1.33x and 1.09x respectively as on March 31, 2023. The average monthly fund based working capital utilization of the company stood at 73% for the past 12 months period ended September 2023 indicating moderate liquidity cushion. However, the company's free cash and bank balance stood at Rs. 3.05 Crore as of March 2023.



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### About the Company

Sannverse Railtech Private Limited Erstwhile Known as Millennium Infra & Realty Projects Private Limited. The name of the company has changed with effect from May 04, 2023 (as per Certificate of Incorporation). Sannverse Railtech Pvt Ltd. (SRPL) operates in different sectors including construction of Roadway, Railway, Water Supply, Power, Real estate and Consultancy. Currently, the company caters to construction solutions to Roads, Buildings, and Bridges, Dams & Irrigation projects. It executes projects for both Government and private clients Pan-India. The company has considerable reliance on government contracts for construction of new roads & repairing of the existing roads for the various state departments.

### Financials: Standalone

(Rs. crore)

For the year ended/* As On	31-03-2022	31-03-2023
	<b>Audited</b>	<b>Audited</b>
Total Operating Income	101.95	248.95
EBITDA	10.80	24.93
PAT	6.44	14.94
Total Debt	5.08	18.15
Tangible Net-worth	11.77	26.56
<b>Ratios</b>		
EBITDA Margin (%)	10.60	10.01
PAT Margin (%)	6.32	5.98
Overall Gearing Ratio (x)	0.43	0.68

\*Classification as per Infomerics' standards

**Status of non-cooperation with previous CRA:** Nil

**Any other information:** Not Applicable



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Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (Dec 23, 2022)	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
1.	Long Term Fund Based Bank Facilities – Cash Credit	Long Term	55.00	IVR BBB-/Stable	IVR BB+/Stable	-	-
2.	Long Term Fund Based Bank Facilities – Proposed	Long Term	40.00	IVR BBB-/Stable	IVR BB+/Stable	-	-
3.	Short Term Non-Fund Based Facility - Bank Guarantee	Short Term	37.50	IVR A3	IVR A4+	-	-
4.	Short Term Fund Based Bank Facilities – Proposed	Short Term	107.50	IVR A3	IVR A4+	-	-

**Name and Contact Details of the Rating Team:**

Name: Prakash Kabra  
Tel.: (022) 6239 6023  
Email: [prakash.kabra@infomerics.com](mailto:prakash.kabra@infomerics.com)



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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 visit [www.infomerics.com](http://www.infomerics.com).

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### Annexure 1: Details of Facilities:

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. crore)	Rating Assigned/ Outlook
Long Term Fund Based Bank Facilities – Cash Credit	-	-	-	55.00	IVR BBB-/Stable
Long Term Fund Based Bank Facilities – Proposed	-	-	-	40.00	IVR BBB-/Stable
Short Term Non-Fund Based Facility - Bank Guarantee	-	-	-	37.50	IVR A3
Short Term Fund Based Bank Facilities – Proposed	-	-	-	107.50	IVR A3

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

**Annexure 3: Facility wise lender details:**

<https://www.infomerics.com/admin/prfiles/len-SRPL-nov23.pdf>

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

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it based on complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).