



Press Release

Sree Saravana Engineering Bhavani Private Limited

September 23rd, 2024

Ratings:

Facilities/ Instruments	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	15.00	IVR BB+/ Negative Outlook; ISSUER NOT COOPERATING* (IVR Double B plus with Negative Outlook; ISSUER NOT COOPERATING*)	IVR BBB-/Stable (IVR Triple B minus with Stable Outlook)	Downgraded and migrated to Issuer Not Cooperating Category	Simple
Short Term Bank Facilities	80.00	IVR A4+ (ISSUER NOT COOPERATING) (IVR A Four plus; ISSUER NOT COOPERATING)	IVR A3 (IVR A three)	Downgraded and migrated to Issuer Not Cooperating Category	Simple
Total	95.00	(Rupees ninety-five crore only)			

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

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

Ratings

The aforesaid long-term rating has been downgraded and has been migrated under 'ISSUER NOT COOPERATING' category due to non-submission of information and lack of management cooperation.

Detailed Rationale

The aforesaid rating action to the bank facilities of Sree Saravana Engineering Bhavani Private Limited (SSEBPL) reflects lack of adequate information available about the performance of the company and hence the uncertainty around its credit risk. Infomerics Ratings assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

IVR has rated the bank loan facilities of SSEBPL in July 2023. Despite close follow up through telephone calls and mails dated June 28, July 24, August 16, August 20, August 21, August



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22, August 23, August 29 and September 17th, 2024, and concurrently over multiple phone calls for submission of required information for review and failure to submit minimum required information for a review is considered as an act of non-cooperation. In the absence of adequate information from the company, IVR is unable to assess the company's financial performance and its ability to service its debt and maintain a valid rating. Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the Company. Based upon the same IVR has downgraded the long-term rating and migrated the long-term bank facilities to IVR BB+/Negative; ISSUER NOT COOPERATING and short-term bank facilities to IVR A4+; ISSUER NOT COOPERATING.

Non-Cooperation by Issuer:

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, IVR has to assign the rating based on the best available information. Accordingly, the bank loan facilities of Sree saravana engineering bhavani private limited, aggregating to Rs 95.00 crore have been continued to 'ISSUER NOT COOPERATING' category. The rating is now denoted as IVR BB+/Negative; ISSUER NOT COOPERATING and IVR A4+; ISSUER NOT COOPERATING.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Infrastructure Companies](#)

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

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

[Criteria for assigning Rating Outlook](#)

[Instrument/ Facility wise default recognition & Post- Default Curing Period](#)

[Complexity level of rated Instruments/Facilities](#)

Liquidity: Unable to comment due to lack of adequate information



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About the Company

Sree Saravana Engineering Bhavani Pvt. Ltd. (SSEB) is based out of Erode, Tamil Nadu and was established in 1981 as a partnership Company (Sri Saravana Engineering Works) by Mr. P. Venkatachalam and his wife Mrs. V. Poongodi and was later converted into a private limited company in December 2010. The company is engaged in the business of EPC contracting working predominantly in Kerala, Karnataka and Tamil Nadu. Currently, the company provides expertise in construction field such as earth fill, rock fill and concrete Dams and Tunnels, and Engineering Procurement Construction (EPC) which includes Civil, Mechanical and Electrical works, Design, Manufacture, Supply, Erection, Testing and Commissioning of Hydro Mechanical & Electro Mechanical equipment such as Turbine, Generator, Governor, Excitation System, LCU Panel, Indoor Electrical Control Panels, 3 Outdoor Substation and connected Electrical & Mechanical Works for Hydro Power Projects from 1 MW to 250 MW, etc. The processes and procedures carried out comply with the requirements of ISO 9001:2017. Also, the operations of the company are currently being looked after by Mr. P. Venkatachalam and Mrs. V. Poongodi.

Financials (Standalone):

For the year ended*/As on	31-03-2022	31-03-2023
	(Audited)	(Provisional)
Total Operating Income	75.12	109.66
EBITDA	10.26	10.63
PAT	6.14	8.20
Total Debt	29.39	18.16
Tangible Net Worth	41.42	50.37
Ratios	13.66	9.70
EBITDA Margin (%)	8.05	7.44
PAT Margin (%)	0.71	0.36
Overall Gearing Ratio(x)	75.12	109.66
Interest Coverage Ratio	10.51	29.18

**Classification as per Infomerics` Standard*

Status of non-cooperation with previous CRA: CARE Ratings Ltd. vide its press release dated May 08th, 2024, have continued to classify the case under Issuer Not Cooperating category on account of non-submission of relevant information.



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Brickwork Ratings India Pvt Ltd. vide its press release dated April 30th, 2024, have continued to classify the case under Issuer Not Cooperating category on account of non-submission of relevant information.

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-2022
					July 26 th , 2023	December 23 rd , 2022	October 06 th , 2021
1.	Long Term Bank Facilities	Long Term	15.00	IVR BB+ / Negative; INC	IVR BBB-/ Stable	IVR BB; INC	IVR BB+ / Positive
2.	Short Term Bank facilities	Short Term	80.00	IVR A4+; INC	IVR A3	IVR A4; INC	IVR A4+

** 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



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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.

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Annexure 1: Details of Facilities

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs Crore)	Rating Assigned/ Outlook
Long Term Bank Facility – Cash Credit	--	--	--	-	10.00	IVR BB+ / Negative; INC
Long Term Bank Facility – Cash Credit	--	--	--	-	5.00	IVR BB+ / Negative; INC
Short Term Bank Facility – LC's / BG's	--	--	--	-	35.00	IVR A4+; INC
Short Term Bank Facility – LC's / BG's	--	--	--	-	45.00	IVR A4+; INC

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

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-Saravana-Engineering-sep24.pdf>

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

Annexure 4: List of companies considered for consolidated 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.