



## Press Release

### Sri Savitr Solar Private Limited (SSSPL)

**October 22, 2024**

#### **Ratings**

<b>Instrument / Facility</b>	<b>Amount (Rs. crore)</b>	<b>Current Ratings</b>	<b>Previous Ratings</b>	<b>Rating Action</b>	<b><a href="#">Complexity Indicator</a></b>
Long Term Facilities	64.50 (Reduced from Rs. 66.00 crore)	IVR B+/ Stable (IVR Single B Plus with Stable Outlook)	IVR D	Upgraded	Simple
Short Term Facilities	5.50 (Enhanced from Rs. 4.00 crore)	IVR A4 (IVR A Four)	IVR D	Upgraded	Simple
<b>Total</b>	<b>70.00 (Rupees Seventy Crore Only)</b>				

**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**

The upgradation of the ratings by Infomerics to the bank facilities of Sri Savitr Solar Private Limited takes into account the timely servicing of debt since March end 2024.

Further, the ratings also factor in experienced promoters and operational track record of the plant, proven project execution capability with reputed clientele and Government's thrust on solar energy.

The ratings, however, are constrained by modest financial risk profile, presence in a highly fragmented industry and dependence on climatic conditions.

Stable outlook indicates that the company will continue to benefit from the experience of the promoters and the favourable market demand of solar panels.

#### **Key Rating Sensitivities:**

##### **Upward Factors**

- Procurement of new orders providing medium to long term revenue visibility along with a substantial and sustained improvement in the revenue and cash accruals leading to improvement in the debt protection metrics, capital structure and liquidity.



## Press Release

### Downward Factors

- Any decline in the revenue and/or profitability leading to deterioration in liquidity position and impairment in debt protection metrics.

### List of Key Rating Drivers with Detailed Description

#### Key Rating Strengths

##### **Experienced promoters and operational track record of the plant**

Mr. A V Ramesh and Mrs. A Sujatha are the Directors of the Company having decades of experience in the industry. The plant commenced commercial operations in 2011 and has demonstrated a satisfactory track record for more than a decade.

##### **Proven project execution capability with reputed clientele**

Over the past years, the company has successfully completed many EPC projects for various government and private entities along with manufacturing of Solar Panels. The repeat orders received from its clientele validates its capabilities. SSSPL bids for tenders by government and private entities. A large portion of the total order value remains unexecuted as of March 2024, with approximately 65.2% of the total project value (₹521.89 crore) scheduled for completion in FY2024-25.

##### **Government's thrust on solar energy**

The Government of India has provided a thrust on developing renewable energy generation including solar power. The Ministry of New and Renewable Energy (MNRE) has set an ambitious target to set up renewable energy capacities to the tune of 450 GW by 2030.

#### Key Rating Weaknesses

##### **Modest financial risk profile**

SSSPL capital structure stood high as on March 31, 2024, marked by overall gearing at 3.33x in FY24 (Provisional) (refers to period April 1st, 2023, to March 31st, 2024) as against 3.89 in FY23 (refers to period April 1st, 2022, to March 31st, 2023). The total



## Press Release

indebtedness of the company as reflected by TOL/TNW stood high at 6.57x as on March 31, 2024. against 6.36x as on March 31, 2023. The debt protection metrics stood moderate reflected by interest coverage ratio at 1.28x in FY24 (1.23x in FY23).

### **Presence in a highly fragmented industry**

The industry is fairly fragmented and competitive, which limits the pricing flexibility and bargaining strength of the players. Fragmentation and competition in the solar power EPC segment restrain any pass-through mechanism, leading to a volatile operating margin.

### **Dependence on climatic conditions**

The industry is weather dependent. Only those areas that receive good amount of sunlight are suitable for producing solar energy. During daytime, the weather may be cloudy or rainy, with little or no sun radiation. This makes solar energy panels less reliable as a solution

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Manufacturing Companies](#)

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

[Criteria on assigning rating outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

### **Liquidity – Stretched**

In the projected period cash accrual remain comfortable against the repayments, however, the same is contingent upon achieving the projected revenue and profitability. The operating cycle of the company remains elongated at 204 days in FY24 as compared to 147 days in FY23. Also, the company's current ratio is moderate and stood at 1.26x in FY24. The working capital limit utilization of company stands at ~79.81% in the last twelve months ended August



## Press Release

2024 which depicts moderate utilization. The unencumbered cash & cash equivalents of the company stood at Rs. 2.31 crore as on March 31, 2024. However, the operating cycle of the company remains Furthermore, the cash accrual for repayment depends upon the achievability of projections.

### **About the Company**

Sri Savitr Solar Pvt Ltd (SSSPL) is an ISO 14001:2015 & ISO 45001:2018 certified company headquartered in Hyderabad, India and holds three different manufacturing facilities in the region and it has been manufacturing solar panels in its native Hyderabad since 2011. In addition, they provide complete solutions for Solar Street Lighting, Solar Home Lighting, Solar Water Pumping, Off Grid Solar Power Plants, Grid Connected Power Plants as per MNRE (Ministry of New & Renewable Energy) specification.

The Company's Solar modules have TUV Rheinland certification in confirming to IEC 61215, IEC 61730, IEC 61701 standards for both POLY & MONO. The products are also certified by SEC & approved by MNRE.

### **Financials (Standalone):**

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	<b>Audited</b>	<b>Provisional</b>
Total Operating Income	130.94	116.62
EBITDA	6.09	7.68
PAT	0.74	1.00
Total Debt	54.55	50.01
Tangible Net Worth	14.02	15.02
EBITDA Margin (%)	4.65	6.59
PAT Margin (%)	0.56	0.85
Overall Gearing Ratio (x)	3.89	3.33
Interest Coverage (x)	1.23	1.28

\* Classification as per Infomerics' standards.

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

**Any other information: None**



## Press Release

### Rating History for last three years:

Sr. No.	Name of Facilities	Current Ratings (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 2023-2024		Date(s) & Rating(s) assigned in 2022-2023	Date(s) & Rating(s) assigned in 2021-2022
					(Dec 26, 2023)	(Oct 25, 2023)	(Aug 12, 2022)	
1.	Cash Credit	Long Term	60.00	IVR B+/Stable	IVR D	IVR BB-/ISSUER NOT COOPERATING/Negative	IVR BB/Stable	-
2.	Cash Credit (Proposed)*	Long Term	-	-	IVR D	IVR BB-/ISSUER NOT COOPERATING/Negative	IVR BB/Stable	-
3.	GECL	Long Term	-	-	-	IVR BB-/ISSUER NOT COOPERATING/Negative	IVR BB/Stable	-
4.	Term Loan	Long Term	3.00	IVR B+/Stable	IVR D	-	-	-
5.	Term Loan (Proposed)	Long Term	1.50	IVR B+/Stable	IVR D	IVR BB-/ISSUER NOT COOPERATING/Negative	IVR BB/Stable	-



## Press Release

Sr. No.	Name of Facilities	Current Ratings (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 2023-2024		Date(s) & Rating(s) assigned in 2022-2023	Date(s) & Rating(s) assigned in 2021-2022
6.	Bank Guarantee	Short Term	4.00	IVR A4	IVR D	-	-	-
7.	Bank Guarantee (Proposed)	Short Term	1.50	IVR A4	IVR D	IVR A4/ISSUE R NOT COOPERATING	IVR A4	-

*\*The same has been sanctioned subsequently.*

### Analytical Contacts:

Name: Amit Bhuwania
Tel: (022) 62396023
Email: <a href="mailto:abhuaniania@infomerics.com">abhuaniania@infomerics.com</a>

### 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.





## Press Release

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](http://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.

### 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
Term Loan	-	-	-	Up to 2025	3.00	IVR B+/Stable
Cash Credit	-	-	-	-	60.00	IVR B+/Stable
Term Loan (Proposed)	-	-	-	-	1.50	IVR B+/Stable
Bank Guarantee	-	-	-	-	4.00	IVR A4
Bank Guarantee (Proposed)	-	-	-	-	1.50	IVR A4

### Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/len-SriSavitr-oct24.pdf>

**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**



## Press Release

**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](http://www.infomerics.com).

