



## Press Release

### Sri Savitr Solar Private Limited (SSSPL)

December 26, 2023

#### Ratings

Instrument/Facility	Amount (Rs. Crore)	Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Fund Based Facilities	37.30 (Increased from 36.04)	IVR D	Revised and removed from ISSUER NOT COOPERATING CATEGORY	Simple
Long Term Bank Facilities (Proposed)	28.70 (Increased from 10.45)	IVR D	Revised and removed from ISSUER NOT COOPERATING CATEGORY	Simple
Short Term Fund Based Facilities	2.00	IVR D	Assigned	Simple
Short Term Fund Based Facilities (Proposed)	2.00 (Increased from 1.00)	IVR D	Revised and removed from ISSUER NOT COOPERATING CATEGORY	Simple
<b>Total</b>	<b>Rs. 70.00 Cr. (Rupees Seventy Crore Only)</b>			

#### Details of Facilities are in Annexure 1

#### Detailed Rationale

Infomerics had migrated the Rating assigned to the bank facilities of Sri Savitr Solar Private Limited (SSSPL) to the 'ISSUER NOT COOPERATING' category vide Press Release dated October 25, 2023, because of non-receipt of information for monitoring the rating. Subsequently, the company has provided the requisite information. Based on this, Infomerics has removed the Rating from the 'ISSUER NOT COOPERATING' category.



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The revision in ratings takes into account ongoing intermittent delays in servicing of debt obligation. Further, Infomerics also takes the note of experienced promoters and operational track record of the plant, proven project execution capability with reputed clientele, improved scale of operations, Government's thrust on solar energy, modest financial risk profile, presence in a fairly fragmented industry and dependence on climatic conditions.

### **Key Rating Sensitivities:**

#### **Upward Factors**

- Continuous timely servicing of debt obligations for at least 90 days.

### **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 the past 12 years.

##### **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.

##### **Improved scale of operations**

The Company has achieved Total Operating Income of Rs. 130.94 Cr in FY23 against Rs. 101.62 Cr. In FY22 while registering a y-o-y growth of 28.85% in FY23. This increase is mainly due to increase in sales of modules and project execution in FY23. The profitability stood comfortable with an EBITDA margin of 4.65% and PAT margin 0.56% in FY23.

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



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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 Weakness**

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

SSSPL capital structure stood high as on March 31, 2023, marked by overall gearing at 3.89x as on March 31, 2023 against 2.86 as on March 31, 2022. The total indebtedness of the company as reflected by TOL/TNW stood high at 6.36x as on March 31, 2023. against 5.59x as on March 31, 2022.

#### **Presence in a fairly 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 of assigning rating outlook](#)

[Default Recognition Policy](#)

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



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### Liquidity: Poor

The liquidity position of the company is poor on account of high utilisation of working capital facilities for the past 12 months ended November 2023, the liability is above the limit on account of interest debit and there is intermittent delay payment in servicing of debt obligation.

### 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	INR in Crores	
	31-03-2022	31-03-2023
	Audited	Audited
Total Operating Income	101.62	130.94
EBITDA	6.83	6.09
PAT	0.73	0.74
Total Debt	37.97	54.55
Tangible Net worth	13.27	14.02
EBIDTA Margin (%)	6.72	4.65
PAT Margin (%)	0.72	0.56
Overall Gearing ratio (X) (Adjusted)	2.86	3.89



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*\*Classification as per Infomerics' standards*

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

**Any other information: N.A.**

**Rating History for last year:**

Sr. No.	Name of Facilities	Current Ratings (Year 2023-2024)			Rating History for the past 3 years		
		Type	Amount outstanding/Proposed (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 PR Dated October 25, 2023	Date(s) & Rating(s) assigned in 2022-23 PR Dated August 12, 2022	Date(s) & Rating(s) assigned in 2019-20
1.	Cash Credit (Sanctioned)	Long Term	33.80	IVR D	IVR BB-/ISSUER NOT COOPERATING / Negative	IVR BB/Stable	-
2	Cash Credit (Proposed)	Long Term	24.20	IVR D	IVR BB-/ISSUER NOT COOPERATING / Negative	IVR BB/Stable	-
3	GECL (Sanctioned)	Long Term	-	-	IVR BB-/ISSUER NOT COOPERATING / Negative	IVR BB/Stable	-
4	Term Loan (Sanctioned)	Long Term	3.50	IVR D	-	-	-
5	Term Loan (Proposed)	Long Term	4.50	IVR D	IVR BB-/ISSUER NOT COOPERATING / Negative	IVR BB/Stable	-
6	Bank Guarantee (Sanctioned)	Short Term	2.00	IVR D	-	-	-



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7	Bank Guarantee (Proposed)	Short Term	2.00	IVR D	IVR A4/ISSUER NOT COOPERATING	IVR A4	-

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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](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, 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





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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

S. No.	Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs Cr.)	Rating Assigned/ Outlook
1	Cash Credit (Sanctioned)	-	-	Not Applicable	33.80	IVR D
2	Cash Credit (Proposed)	-	-	Not Applicable	24.20	IVR D
3	Term Loan (Sanctioned)	-	-	2027	3.50	IVR D
4	Term Loan (Proposed)	-	-	Not Applicable	4.50	IVR D
5	Bank Guarantee (Sanctioned)	-	-	Not Applicable	2.00	IVR D
6	Bank Guarantee (Proposed)	-	-	Not Applicable	2.00	IVR D

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

**Annexure 3: Facility wise lender details**

<https://www.infomerics.com/admin/prfiles/len-Savitr-Solar-dec23.pdf>

**Annexure 4: Detailed explanation of covenants of the rated facilities: 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](http://www.infomerics.com).