

### Servall Engineering Works Private Limited: Downgraded

Facilities	Amount (Rs. Crore)	Rating
Cash Credit I	6.60#	SMERA D (Downgraded from SMERA B/Stable)
Cash Credit II	4.40*	SMERA D (Downgraded from SMERA B/Stable)
Term Loan	3.04	SMERA D (Downgraded from SMERA B/Stable)
Letter of Credit I	2.00	SMERA D (Downgraded from SMERA A4)
Letter of Credit II	1.50	SMERA D (Downgraded from SMERA A4)
Bank Guarantee	2.54	SMERA D (Downgraded from SMERA A4)
Letter of Guarantee	8.70	SMERA D (Downgraded from SMERA A4)

\*EPC, sublimit to the tune of Rs.1.00 crore

\*FBD/FBP, sublimit to the tune of Rs.0.80 crore

#Sublimits of cash credit: Working Capital foreign currency to the tune of Rs.0.92 crore, Packing credit to the tune of Rs.1.50 crore, Bill discounting to the tune of Rs.1.20 crore

SMERA has downgraded the rating on the above Rs.28.78 crore bank facilities of Servall Engineering Work Private Limited (SEWPL) to '**SMERA D**' (read as **SMERA D**) from 'SMERA B/Stable/A4'. The company is listed as an NPA by State Bank of India since nine months. It has incurred delays in principal and interest repayment and has overdrawn the cash credit limit. The rating also reflects the company's stretched liquidity position.

#### About the Company

Incorporated in 1989, SEWPL is a Coimbatore-based company that took over the engineering division' assets of "Servall Engineering Industries Private Limited". The latter was incorporated in 1975 and was engaged in the manufacture and export of paper manufacturing machines.

The company reported profit after tax (PAT) of Rs.0.49 crore on net sales of Rs.30.83 crore in FY2015 as against PAT of Rs.0.52 crore on net sales of Rs.30.46 crore in FY2014.

**Rating History (SEWPL)**

Date	Facilities	Amount (Rs. Crore)	Rating		Rating/ Outlook
			Long Term	Short Term	
11 August, 2015	Cash Credit I	6.60#	SMERA B (Assigned)	-	Stable
	Cash Credit II	4.40*	SMERA B (Assigned)	-	Stable
	Term Loan	3.04	SMERA B (Assigned)	-	Stable
	Letter of Credit I	2.00	-	SMERA A4 (Assigned)	-
	Letter of Credit II	1.50	-	SMERA A4 (Assigned)	-
	Bank Guarantee	2.54	-	SMERA A4 (Assigned)	-
	Letter of Guarantee	8.70	-	SMERA A4 (Assigned)	-

\*EPC, sublimit to the tune of Rs.1.00 crore

\*FBD/FBP, sublimit to the tune of Rs.0.80 crore

#Sublimits of cash credit: Working Capital foreign currency to the tune of Rs.0.92 crore, Packing credit to the tune of Rs.1.50 crore, Bill discounting to the tune of Rs.1.20 crore

**Contacts:**

Analytical	Business Development
Mr. Mohit Jain Vice President – Ratings Operations Tel: +91-22-6714 1105 Cell: +91-9619911017 Email: <a href="mailto:mohit.jain@smera.in">mohit.jain@smera.in</a>	Mr. Suman M Vice President – Business Development, Corporate Ratings Tel: +91-22-6714 1151 Cell: +91-9892306888 Email: <a href="mailto:suman.m@smera.in">suman.m@smera.in</a>

**ABOUT SMERA**

SMERA Ratings Limited is a joint initiative of SIDBI, Dun & Bradstreet Information Services India Private Limited (D&B) and leading public and private sector banks in India. SMERA is registered with SEBI as a Credit Rating Agency and accredited by Reserve Bank of India. For more details, please visit [www.smera.in](http://www.smera.in).

**Disclaimer:** A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.smera.in](http://www.smera.in)) for the latest information on any instrument rated by SMERA.