

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)	-

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ABOUT SMERA

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