

Press Release

Servall Engineering Works Private Limited (SEWPL)

January 15, 2018



Rating Reaffirmed; Issuer not co-operating

Total Bank Facilities Rated*	Rs. 28.78 Cr. #
Long Term Rating	SMERA D Issuer not co-operating*
Short Term Rating	SMERA D Issuer not co-operating*

Refer Annexure for details

* The issuer did not co-operate; based on best available information.

SMERA has reaffirmed the ratings of '**SMERA D**' (read as **SMERA D**) on the Rs. 28.78 crore bank facilities of Servall Engineering Works Private Limited (SEWPL). The rating is backed by the classification of assets of SEWPL as Non-Performing Asset (NPA) by the banks. However, this is an indicative rating as the issuer did not co-operate and is based on best available information.

Key Rating Drivers

Weaknesses

• Delay in debt servicing

The assets of SEWPL are classified as Non-Performing Asset (NPA) by the banks.

Non-cooperation by the issuer/borrower

SMERA has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and SMERA's policies.

Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Manufacturing Entity - <https://www.smera.in/criteria-manufacturing.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). SMERA endeavoured to gather information about the entity / industry from the public domain. Therefore, SMERA cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the rated entity

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 (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
11-Aug-2015	Cash Credit	Long Term	INR 6.60@	SMERA B/Stable (Assigned)
	Cash Credit	Long Term	INR 4.40^	SMERA B/Stable (Assigned)
	Term Loan	Long Term	INR 3.04	SMERA B/Stable (Assigned)
	Letter of Credit	Short Term	INR 2.00	SMERA A4 (Assigned)
	Letter of Credit	Short Term	INR 1.50	SMERA A4 (Assigned)
	Bank Guarantee	Short Term	INR 2.54	SMERA A4 (Assigned)
	Bank Guarantee	Short Term	INR 8.70	SMERA A4 (Assigned)
08-Aug-2016	Cash Credit	Long Term	INR 6.60@	SMERA D (Downgraded)
	Cash Credit	Long Term	INR 4.40^	SMERA D (Downgraded)
	Term Loan	Long Term	INR 3.04	SMERA D (Downgraded)
	Letter of Credit	Short Term	INR 2.00	SMERA D (Downgraded)
	Letter of Credit	Short Term	INR 1.50	SMERA D (Downgraded)
	Bank Guarantee	Short Term	INR 2.54	SMERA D (Downgraded)
	Bank Guarantee	Short Term	INR 8.70	SMERA D (Downgraded)

@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

^EPC, sublimit to the tune of Rs.1.00 crore; FBD/FBP, sublimit to the tune of Rs.0.80 crore

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	INR 6.60@	SMERA D Issuer not co-operating*

Cash Credit	Not Applicable	Not Applicable	Not Applicable	INR 4.40 [^]	SMERA D Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	INR 3.04	SMERA D Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	INR 2.00	SMERA D Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	INR 1.50	SMERA D Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	INR 2.54	SMERA D Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	INR 8.70	SMERA D Issuer not co-operating*

@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

[^]EPC, sublimit to the tune of Rs.1.00 crore; FBD/FBP, sublimit to the tune of Rs.0.80 crore

*The issuer did not co-operate; based on best available information.

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ABOUT SMERA

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