



Press Release

Servall Engineering Works Private Limited (SEWPL)

January 10, 2019

Rating Update

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

#Refer Annexure for details

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

Rating Rationale

Acuite has reaffirmed the ratings of 'Acuite D' (read as Acuite 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.

Non-cooperation by the issuer/borrower:

Acuité 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 Acuité's policies.

Applicable Criteria

- Default Recognition -<https://www.acuite.in/view-rating-criteria-17.htm>
Trading entities criteria

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). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité 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.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information-

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr) | Ratings/Outlook |
|-------------|---------------------------------|------------|-----------------|----------------------------|
| 11-Aug-2015 | Cash Credit | Long Term | 6.60 | Acuite B/Stable (Assigned) |
| | Cash Credit | Long Term | 4.40 | Acuite B/Stable (Assigned) |
| | Term Loan | Long Term | 3.04 | Acuite B/Stable (Assigned) |
| | Letter of Credit | Short Term | 2.00 | Acuite A4 (Assigned) |
| | Letter of Credit | Short Term | 1.50 | Acuite A4 (Assigned) |
| | Bank Guarantee | Short Term | 2.54 | Acuite A4 (Assigned) |
| | Bank Guarantee | Short Term | 8.70 | Acuite A4 (Assigned) |
| 08-Aug-2016 | Cash Credit | Long Term | 6.60 | Acuite D (Downgraded) |
| | Cash Credit | Long Term | 4.40 | Acuite D (Downgraded) |
| | Term Loan | Long Term | 3.04 | Acuite D (Downgraded) |
| | Letter of Credit | Short Term | 2.00 | Acuite D (Downgraded) |
| | Letter of Credit | Short Term | 1.50 | Acuite D (Downgraded) |
| | Bank Guarantee | Short Term | 2.54 | Acuite D (Downgraded) |
| | Bank Guarantee | Short Term | 8.70 | Acuite D (Downgraded) |
| 15-Jan-2018 | Cash Credit | Long Term | 6.60 | Acuite D (Indicative) |
| | Cash Credit | Long Term | 4.40 | Acuite D (Indicative) |
| | Term Loan | Long Term | 3.04 | Acuite D (Indicative) |

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|--|------------------|------------|------|--------------------------|
| | Letter of Credit | Short Term | 2.00 | Acuite D (Indicative) |
| | Letter of Credit | Short Term | 1.50 | Acuite D (Indicative) |
| | Bank Guarantee | Short Term | 2.54 | Acuite D (Indicative) |
| | Bank Guarantee | Short Term | 8.70 | Acuite D (Indicative) |

***Annexure – Details of instruments rated**

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Crore) | Ratings/Outlook |
|------------------------|------------------|----------------|----------------|-------------------------------|--------------------------------------|
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 6.60 | ACUITE D Issuer not co-operating* |
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 4.40 | ACUITE D Issuer not co-operating |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 3.04 | ACUITE D Issuer not co-operating |
| Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 2.00 | ACUITE D Issuer not co-operating |
| Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 1.50 | ACUITE D Issuer not co-operating |
| Bank Guarantee | Not Applicable | Not Applicable | Not Applicable | 2.54 | ACUITE D Issuer not co-operating |
| Bank Guarantee | Not Applicable | Not Applicable | Not Applicable | 8.70 | ACUITE D Issuer not co-operating |

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

Contacts

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|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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