



## Press Release

### Sannverse Railtech Private Limited (SRPL) Erstwhile Known as Millennium Infra & Realty Projects Private Limited

January 28, 2025

#### Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	115.68	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	IVR BBB-/ Stable (IVR Triple B minus with Stable Outlook)	Rating Upgraded	<a href="#">Simple</a>
Long Term Bank Facilities – Proposed	87.00	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	IVR BBB-/ Stable (IVR Triple B minus with Stable Outlook)	Rating Upgraded	<a href="#">Simple</a>
Short Term Bank Facilities	116.50	IVR A3+ (IVR A Three Plus)	IVR A3 (IVR A Three)	Rating Upgraded	<a href="#">Simple</a>
Short Term Bank Facilities - Proposed	120.82	IVR A3+ (IVR A Three Plus)	IVR A3 (IVR A Three)	Rating Upgraded	<a href="#">Simple</a>
<b>Total</b>			<b>440.00</b>		
			<b>(Rupees Four Hundred forty crore only)</b>		

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

#### Detailed Rationale

Infomerics Ratings has upgraded its rating to the bank facilities of Sannverse Railtech Private Limited (SRPL). The upgrade in the ratings reflects its healthy order book, experienced promoters in infrastructure sector, improved financial risk profile and comfortable capital structure and debt protection. The ratings however are constrained by exposure to competitive segment and inherent risk in nature of business & tender-based nature of operations with intense competition in the industry.

The outlook is stable in view of healthy unexecuted order book providing medium term revenue visibility.



## Press Release

### **Key Rating Sensitivities:**

#### **Upward Factors:**

- Growth in scale of operation with improvement in profit margins leading to improvement in cash accruals on sustained basis.
- Increase in order book and timely execution of the same

#### **Downward Factors:**

- Decline in operating income and profitability.
- Substantial decline in execution of work orders.
- Stretch in the working capital cycle negatively impacting liquidity position.

### **List of Key Rating Drivers with Detailed Description**

#### **Key Rating Strengths:**

##### **Experienced Promoters in infrastructure sector**

Sannverse Railtech Pvt Ltd (SRPL) is an infrastructure company based in Telangana, founded by Mr. Sanjeet Kumar Sharma and Mr. Janeshwar Pandey, who are second-generation entrepreneurs with over thirty years of experience in the industry. The company benefits from strong support from a capable second line of management. The promoters' extensive expertise and the company's established reputation in the field have ensured a consistent stream of orders. The company has good relationship with SMC Infrastructure Pvt Ltd (IVR A/Stable, A1 PR dated June 06, 2024), which has contributed to a significant revenue for the company.

##### **Healthy Order book**

SRPL has an unexecuted order book valued at Rs. 2709.05 crore which is ~6.98 times of its FY24(refers to the period 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024) revenue, providing good revenue visibility in the short to medium term. However, this order book is largely concentrated in railway contracts.



## Press Release

### **Improved financial risk profile**

The total operating income of the company increased to Rs. 388.04 crore in FY24, up from Rs. 248.95 crore in FY23(refers to the period 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023). Similarly, the EBITDA rose to Rs. 46.64 crore in FY24 from Rs. 24.93 crore in FY23, and the PAT improved to Rs. 27.40 crore in FY24, compared to Rs. 14.94 crore in FY23. As of 6MFY25, the company has generated a revenue of Rs. 139.00 crore. Historical data indicates that SRPL typically books around 20% of its annual revenue in the first half of the financial year.

### **Comfortable capital structure and debt protection metrics**

As of March 31, 2024, the company's capital structure, reflected by an overall gearing ratio, stood at 1.58 times. The net worth of the company increased to Rs. 53.95 crore in FY24, up from Rs. 26.56 crore in FY23, primarily due to the accumulation of profits. The Interest Service Coverage Ratio (ISCR) remained healthy at 5.08 times in FY24, although it declined from 6.99 times in FY23 due to an increase in total debt and interest expenses. The company's Debt Service Coverage Ratio (DSCR) also remained strong at 3.31 times in FY24.

### **Key Rating Weaknesses:**

#### **Exposure to competitive segment and Inherent risk in nature of business**

Intense rivalry, many participants, and low entry barriers are characteristics of the industry. For government agencies, the corporation builds roads as part of its operations. Additionally, the fierce competition in this market may lead to aggressive project bidding, which would affect the company's profit margins. The primary business risks faced by the corporation in the sector include economic fragility, regulatory risks in developing markets, delays in government payments, project execution risk, and variable input costs.

#### **Tender-based nature of operations with intense competition in the industry**

The domestic infrastructure/construction market is extremely competitive, with many competitors of all sizes and skill levels present. Additionally, the company derives 90% of its work orders from government departments via tenders put forth by the departments and based on its success in winning these tenders amid fierce pricing competition. Due to the competitive



## Press Release

nature of the industry, the company's profit margin may be under pressure. However, reassurance is provided by the promoters' lengthy career.

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Infrastructure Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

**Liquidity –Adequate**

The liquidity position of the company is expected to remain adequate characterized by moderate cushion in its gross cash accruals of Rs. 29.84 crore in FY24. The current and quick ratios remained comfortable at 1.15x and 0.95x respectively as on March 31, 2024. The average monthly fund based working capital utilization of the company stood at 83% for the past 12 months period ended September 2024 indicating moderate liquidity cushion. However, the company's free cash and bank balance stood at Rs. 11.82 crore as on March 2024.

**About the Company**

Sannverse Railtech Private Limited Erstwhile Known as Millennium Infra & Realty Projects Private Limited. The name of the company has changed with effect from May 04, 2023 (as per Certificate of Incorporation). Sannverse Railtech Pvt Ltd. (SRPL) operates in different sectors including construction of Roadway, Railway, Water Supply, Power, Real estate and Consultancy. Currently, the company caters to construction solutions to Railways,Roads, Buildings, and Bridges, Dams & Irrigation projects. It executes projects for both Government and private clients Pan-India.



## Press Release

### Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	<b>Audited</b>	<b>Audited</b>
Total Operating Income	248.95	388.04
EBITDA	24.93	46.64
PAT	14.94	27.40
Total Debt	18.15	85.38
Tangible Net Worth	26.56	53.95
EBITDA Margin (%)	10.01	12.02
PAT Margin (%)	5.98	7.04
Overall Gearing Ratio (x)	0.68	1.58
Interest Coverage (x)	6.99	5.08

\* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

### Rating History for last three years:

S r. N o.	Name of Security/Facilities	Current Ratings (2024-25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
		PR Date			Nov 10, 2023	Dec 23, 2022	
1.	Long Term Bank Facilities	Long Term	115.68	IVR BBB/Stable	IVR BBB-/Stable	IVR BB+/Stable	-
2.	Long Term Bank Facilities - Proposed	Long Term	87.00	IVR BBB/Stable	IVR BBB-/Stable	-	
3.	Short Term Bank Facilities	Short Term	116.50	IVR A3+	IVR A3	IVR A4+	
4.	Short Term Bank Facilities - Proposed	Short Term	120.82	IVR A3+	IVR A3	-	

### Analytical Contacts:

Name: Gaurav Jain  
 Tel: (020) 29913006  
 Email: [gaurav.jain@infomerics.com](mailto:gaurav.jain@infomerics.com)



## Press Release

### **About Infomerics:**

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please 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 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 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.



## Press Release

### Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	-	June ,2029	12.68	IVR BBB/Stable
Cash Credit	-	-	-	-	88.00	IVR BBB/Stable
WC DL	-	-	-	-	15.00	IVR BBB/Stable
Proposed Long Term	-	-	-	-	87.00	IVR BBB/Stable
Bank Guarantee	-	-	-	-	116.50	IVR A3+
Proposed Short Term	-	-	-	-	120.82	IVR A3+

### Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-Sannverse-Railtech-28jan25.pdf>

**Annexure 3: Detailed explanation of covenants of the rated Security/facilities:** Not Applicable

**Annexure 4: List of companies considered for consolidated/Combined analysis:** 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)