



Press Release

Sattva Engineering Construction Pvt Ltd

September 14, 2022

Ratings

Facilities	Amount (INR crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facility – Fund Based – Term Loan	3.48	IVR BB ISSUER NOT COOPERATING (IVR Double B ISSUER NOT COOPERATING)	Revised and moved to ISSUER NOT COOPERATING Category	Simple
Long Term Bank Facility – Fund Based – Cash Credit	17.00	IVR BB ISSUER NOT COOPERATING (IVR Double B ISSUER NOT COOPERATING)	Revised and moved to ISSUER NOT COOPERATING Category	Simple
Short Term Bank Facility – Non-Fund Based – Bank Guarantee	32.52*	IVR A4 ISSUER NOT COOPERATING (IVR A Four ISSUER NOT COOPERATING)	Revised and moved to ISSUER NOT COOPERATING Category	Simple
Total	53.00			

**Including proposed limit of INR0.02 crore.*

Details of Facilities are in Annexure 1

Detailed Rationale

The revision in the ratings assigned to the bank facilities of Sattva Engineering Construction Pvt Ltd reflects lack of adequate information available about the performance of the company and the uncertainty around its credit risk. Infomerics assesses whether the information



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available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the rating revision.

Note on non-cooperation

Infomerics has repeatedly followed up with the company to provide information to monitor the ratings vide many emails last being dated August 10, 2022, along with telephonic conversations. However, despite repeated requests, the company has failed to submit data for review.

Availability of information is very critical in rating exercise. In the absence of the relevant information, in consonance with SEBI guidelines, Infomerics has moved the ratings assigned to the bank loan facilities of Sattva Engineering Construction Pvt Ltd aggregating to INR 53.00 crore to the 'ISSUER NOT COOPERATING' category. The rating is now denoted as IVR BB; ISSUER NOT COOPERATING for the long-term bank facilities and IVR A4; ISSUER NOT COOPERATING for the short-term bank facilities.

Analytical Approach: Standalone

Applicable Criteria

[Rating Methodology for Infrastructure Companies](#)

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

[Policy on Issuer not cooperating and surveillance/review of existing rating](#)

[Criteria of assigning Rating Outlook](#)

About the company

Set up in 1989 as a proprietorship firm, a member of Sattva Business Group and reconstituted as a private limited company in 2005 -Sattva Engineering Construction Private Limited (SECPL) undertakes civil and industrial contracts. Its daily operations are managed by its promoters, Mr. S. Seshadri and Mr. R. Sekar. It is based in Chennai (Tamil Nadu). The



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engineering division specialises in the construction of Warehouse & Yard developments, Industrial Buildings, Commercial buildings, Water & Sewage treatment plants with collection & distribution systems, residential complexes, power stations & sub-stations. The company is a CLASS I contractor (as per Renewal of Works contract dated 11th April, 2019) in state level 3 special buildings circle, Public Works Department, Chennai, Chennai Metropolitan Water Supply and Sewerage Board, Chennai.

Financials (Standalone)*:

(INR crore)

For the year ended/ As On	31-03-2020 (Audited)	31-03-2021 (Provisional)
Total Income	67.01	85.78
EBITDA	8.56	8.58
PAT	2.22	2.57
Total Debt	29.05	27.71
Tangible Net-worth	16.53	20.78
Ratios		
EBITDA Margin (%)	12.78	10.00
PAT Margin (%)	3.28	2.49
Overall Gearing Ratio (x)	1.33	1.04

* Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Brickwork Ratings has continued to classify the rating of Sattva Engineering Construction Pvt Ltd into the Issuer Non-Cooperating category as per Press Release dated January 31, 2022.

Any other information: None

Rating History for last three years:

Sl. No	Name of Instrument/ Facilities	Current Rating (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (INR crore)	Rating	Date(s) & Rating(s) assigned in 2021-22 (PR dated June 18, 2021)	Date(s) & Rating(s) assigned in 2020-21 (PR dated Nov 10, 2020)	Date(s) & Rating(s) assigned in 2019-20 (PR dated Sept 18, 2019)
1.	Long Term Bank Facility – Fund	Long Term	3.48	IVR BB ISSUER NOT COOPERATING	IVR BB+/ Stable	--	--



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	Based – Term Loan						
2.	Long Term Bank Facility – Fund Based – Cash Credit	Long Term	17.00	IVR BB ISSUER NOT COOPERATING	IVR BB+/ Stable	IVR BB- ISSUER NOT COOPERATING	IVR BB+/ Stable
3.	Short Term Bank Facility – Non-Fund Based – Bank Guarantee	Short Term	32.52*	IVR A4 ISSUER NOT COOPERATING	IVR A4+	IVR A4 ISSUER NOT COOPERATING	IVR A4+

*Including proposed facility of INR0.02 crore

Issuer did not cooperate; based on best available information

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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

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

For more information visit 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, suspend or withdraw the credit ratings at any point



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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.

Annexure 1: Details of Facilities: Not Applicable

Annexure 2: List of companies considered for consolidated analysis: Not Applicable.

Annexure 3: Facility wise lender details: Not Applicable

Annexure 4: Detailed explanation of covenants of the rated instrument/ facilities: 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