

## SVS Enterprises

March 23, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	5.00	CARE B; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE B+; Stable and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	1.50	CARE A4; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

\*Issuer did not cooperate; based on best available information.

### Rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has been seeking information from SVS Enterprises (SVS) to monitor ratings vide email communications/letters dated January 07, 2026, March 09, 2026, among others and numerous phone calls. However, despite our repeated requests, the company has not provided requisite information for monitoring ratings. In line with the extant Securities and Exchange Board of India (SEBI) guidelines, CARE Ratings has reviewed the rating based on the best available information, which however, in CARE Ratings' opinion is not sufficient to arrive at a fair rating. Ratings on SVS's bank facilities will now be denoted as **CARE B; Stable/CARE A4; ISSUER NOT COOPERATING\***.

**Users of these ratings (including investors, lenders, and public at large) are hence requested to exercise caution while using above ratings.**

The revision in ratings is on account of non-availability of information.

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of key rating drivers:

At the time of last rating on April 02, 2025, the following were the rating strengths and weaknesses:

#### Key weaknesses

##### Small scale of operations

In FY24, the firm witnessed a ~15% decline in revenue from ₹14.81 crore in FY23 to ₹12.59 crore in FY24. The current order book stands at ₹13 crore for FY26, with operations expected to improve based on the current and anticipated orders. The firm reported a TOI of approximately ₹7.02 crore in 11MFY25, with a major portion of billing expected in the last quarter. The management projects a TOI of around ₹11 crore for FY25.

##### Short term revenue visibility from order book

SVS has an unexecuted order book of ₹16 crore as of January 31, 2025, which majority of order to be executed in FY26. The order book to TOI ratio stands at 1.55x of the gross billing in FY24. The order is from MES, a government agencies, which reduces the firm's counterparty risk.

##### Moderation and leveraged capital structure and debt coverage indicators

The firm's overall gearing ratio moderated to 2.37x as of March 31, 2024, compared to 2.00x on March 31, 2023, due to an increase in total debt. The rise in debt levels is attributed to unsecured business loans availed from Bajaj Finance and Sundaram Finance, as of March 31, 2024. The firm's net worth remains small at ₹2.99 crore as of March 31, 2024. The debt coverage indicator, marked by TDGCA, weakened to 11.27x as of March 31, 2024, from 6.82x as on March 31, 2023. Additionally, the coverage indicator marked by PBILDT/interest coverage declined to 1.85x in FY24 from 2.31x in FY23.

##### Elongated working capital cycle:

The operating cycle deteriorated from 92 days in FY23 to 142 days in FY24 due to higher inventory days and lower creditor days. The firm's monthly collections averaged around 22% of the total gross receivables over the past 12 months ending December 2024.

##### Highly fragmented industry with intense competition from other players due to tender based nature of operations:

The firm secures 100% of its work orders from government organizations, all through tenders. Its revenues depend on the firm's ability to successfully bid for these tenders. Profitability margins remain under pressure due to the industry's competitive nature.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

However, the partners' two decades of industry experience partially mitigates this risk. Nonetheless, the presence of numerous fragmented and unorganized players makes the civil construction sector highly competitive.

#### **Constitution of the entity as partnership firm with inherent risk of withdrawal of capital**

Being a partnership firm, SVS faces the inherent risk of capital withdrawal during personal contingencies, which could adversely impact its capital structure. Additionally, partnerships have limited access to external borrowings, as lenders primarily consider the creditworthiness of the partners when making credit decisions. The firm has withdrawn its entire profit for FY24.

#### **Key strengths**

##### **Established track record with experienced promoter for more than two decades in construction industry:**

SVS was established in the year 2002 as a partnership firm; hence, it has established track record of operations. The Managing Partner of the firm is Mr. B. Srinivasa Rao, who is a civil engineer by qualification, has an experience of more than two decades in subcontract works and manages the day-to-day operations of the firm. Due to long term presence in the market, the promoter has established good relationships with its customers and suppliers which enables the firm to bag new orders.

##### **Improved and satisfactory profitability margins:**

The profitability margins, as indicated by PBILDT, slightly improved from 9.73% in FY23 to 10.28% in FY24 due to a lower cost of sales, which accounted for 89.72% of TOI in FY24 compared to 90.27% in FY23. However, the PAT margins declined to 4.03% as of March 31, 2024, from 4.96% as of March 31, 2024, driven by an increase in finance costs from 4.20% of TOI in FY23 to 5.56% in FY24.

#### **Applicable criteria**

[Definition of Default](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Rating Outlook and Rating Watch](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Financial Ratios – Non financial Sector](#)

[Construction Sector](#)

[Infrastructure Sector Ratings](#)

[Short Term Instruments](#)

#### **About the company and industry**

##### **Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

SVS Enterprises (SVS) was established in 2002 as a partnership firm. The firm is a class I contractor with Military Engineer Services (MES), Director General of Naval projects. The firm's registered office is located at Visakhapatnam, Andhra Pradesh. The firm is involved in civil contract works i.e., construction of buildings for the state and central government departments. SVS purchases its raw material such as steel, cement etc., from the dealers located in and around Vishakhapatnam. The firm also constructs buildings for local government entities like Andhra Pradesh Medical Service & Infrastructure Development Corporation (APMSIDC), Andhra Pradesh Capital Region Development Authority (APCRDA), etc.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	11MFY25 (UA)
Total operating income	14.81	12.59	7.02
PBILDT*	1.44	1.29	NA
Profit after tax (PAT)	0.74	0.51	NA
Overall gearing (x)	2.00	2.37	NA
Interest coverage (x)	2.31	1.85	NA

A: Audited UA: Unaudited NA: Not Available; Note: these are latest available financial results

\*PBILDT: Profit before interest, lease rentals, depreciation and tax

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	5.00	CARE B; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	1.50	CARE A4; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information.

### Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Cash Credit	LT	5.00	CARE B; Stable; ISSUER NOT COOPERATING*	1)CARE B+; Stable (02-Apr-25)	-	1)CARE B+; Stable (27-Mar-24)	1)CARE B+; Stable (10-Mar-23) 2)CARE B+; Stable (01-Apr-22)
2	Non-fund-based - ST-Bank Guarantee	ST	1.50	CARE A4; ISSUER NOT COOPERATING*	1)CARE A4 (02-Apr-25)	-	1)CARE A4 (27-Mar-24)	1)CARE A4 (10-Mar-23) 2)CARE A4 (01-Apr-22)

\*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable

**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - ST-Bank Guarantee	Simple

**Annexure-5: Lender details**

To view lender-wise details of bank facilities please [click here](#)

**Note on complexity levels of rated instruments:** CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

## Contact us

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