

S.E Power Limited

October 03, 2019

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long-term Bank Facilities- Term Loan	-	-	Revised from CARE BB; Stable to CARE B+; Stable and Withdrawn
Long Term Fund based Facilities- CC	-	-	Revised from CARE BB; Stable to CARE B+; Stable and Withdrawn
Long/Short Term-Non Fund Based Bank Facilities	-	-	Revised from CARE BB; Stable/CARE A4 to CARE B+; Stable/CARE A4 and Withdrawn
Total	-	-	

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The ratings for bank facilities of S.E. Power Limited has been revised from CARE BB; Stable/ CARE A4 to CARE B+; Stable/ CARE A4 and subsequently withdrawn. The rating revision takes into account the continued losses reported by the company at PBILDT level which has adversely impacted the financial profile of the company. The capital structure of the company also deteriorated on account of an increased debt and continuously writing down its net worth on account of losses. The overall gearing of the company has increased from 1.83x in FY18 to 2.61x in FY19. Subsequently CARE has withdrawn the outstanding ratings of '**CARE B+; Stable/CARE A4**' (Single B plus; Outlook: Stable/A Four;) for the bank facilities of S.E. Power Limited with immediate effect. The above action has been taken at the request of S.E. Power Limited and a 'No Objection Certificate' has been received from the lender in respect of the facilities rated by CARE.

Analytical approach: Not Applicable

Applicable Criteria

[CARE's policy on Withdrawal of Ratings](#)

About the Company

Incorporated in August 2010, SEPL is engaged in the manufacturing of reclaimed rubber and production of power through wind mill power generation plants. SEPL is promoted by the Agarwal family based at Agra, which is engaged in various businesses, including financial sector [S E Investments Ltd (SEIL)], trading of heavy machinery [Spring Infradev Limited (SIL)], education sector [Sunil Charitable Society (SCS)] and car dealership (Tata Motor dealership). The company operates five wind mill power plants with four plants of 0.6 MW each and one plant of 0.8 MW located respectively at Chitradurga, Karnataka and Jaisalmer, Rajasthan.

(Rs Crore)

Brief Financials	FY18 (A)	FY19 (A)
Total operating income	15.76	18.65
PBILDT	-0.17	-1.81
PAT	-5.17	-6.83
Overall gearing (times)	1.83	2.61
Interest coverage (times)	-0.06	-0.71

A: Audited

Status of non-cooperation with previous CRA: Not applicable

¹ Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

Any other information: Not applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	0.00	Withdrawn
Fund-based - LT-Working Capital Limits	-	-	-	0.00	Withdrawn
Non-fund-based - LT/ST-BG/LC	-	-	-	0.00	Withdrawn

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE BB; Stable (05-Feb-19)	1)CARE BB; Stable (06-Nov-17)	1)CARE BB+ (21-Sep-16)
2.	Fund-based - LT-Working Capital Limits	LT	-	-	-	1)CARE BB; Stable (05-Feb-19)	1)CARE BB; Stable (06-Nov-17)	1)CARE BB+ (21-Sep-16)
3.	Non-fund-based - LT/ST-BG/LC	LT/ST	-	-	-	1)CARE BB; Stable / CARE A4 (05-Feb-19)	1)CARE A4 (06-Nov-17)	1)CARE A4 (21-Sep-16)
4.	Fund-based - ST-Bills discounting/ Bills purchasing	ST	-	-	-	-	1)Withdrawn (06-Nov-17)	1)CARE A4 (21-Sep-16)

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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