Rating Rationale

18 July 2025

SVG Exports Pvt Ltd.

Brickwork Ratings removes the ratings from Isser Not Cooperating Category, assigns the long-term Ratings of "BWR BB-/Stable" for the bank loan facilities of Rs. 22.00 Cr. & simultaneously withdraws the rating for the existing Bank Loan Facilities of Rs. 64.73 Crs. of SVG Exports Pvt Ltd.

Particulars:

Facilities**	Amount (Rs. Crs.)		Tenure	Rating*	
	Previous	Present		Previous (14 March 2025)	Present
Fund based	26.73	-	Long Term	BWR B+ /Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded	**Withdrawal**
	05.00	-			
	30.00	-	Short Term	BWR A4 Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	
Non-Fund based	3.00	-	Short Term	BWR A4 Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	**Withdrawal**
Total	64.73	**0.00**	(Rupees Zero Crores Only)		
Fund based	0.00	**20.00**	Long Term		**BWR BB-/Stable (Assignment)**
	0.00	**2.00**			
Sub total	*0.00*	***22.00***	(Rupees Twenty Two Crores Only)		
Grand Total	64.73	**22.00**	**(Rupees Twenty Two Crores Only)**		

*Please refer to BWR website **www.brickworkratings.com/** for definition of the ratings
** Details of Bank Loan facilities is provided in Annexure-I
*Issuer did not cooperate; based on best available information.

RATING ACTION / OUTLOOK

Brickwork Ratings removes the ratings from Isser Not Cooperating Category, assigns the long-term Ratings of "BWR BB-/Stable" for the bank loan facilities of Rs. 22.00 Cr. & simultaneously withdraws the rating for the existing Bank Loan Facilities of Rs. 64.73 Crs. of SVG Exports Pvt Ltd.

Brickwork Ratings (BWR) has assigned the ratings of SVG Exports Pvt Ltd. considering factors such as a long track record of promoters and an experienced management team of the Company, Strategic Business Restructuring, Strong gearing ratio. However, the ratings are constrained by Net Losses in FY25, Geographical & Portfolio Concentration risk, Industry Industry-related risks.

The rating outlook has been assigned as "Stable" as BWR believes that SVG Exports Pvt Ltd., business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenue and profitability margins show sustained improvement. The rating outlook may be revised to 'Negative' if the financial risk profile further deteriorates.

For assigning the rating, BWR has relied upon the audited financials of FY24, Provisionals of FY25 & projected financials for FY26 & FY27, and information/clarifications provided by management.

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED

The terms of sanction of the rated facilities include standard covenants normally stipulated for such facilities.

KEY RATING DRIVERS

Credit Strengths-:

- **Long track record of promoters and experienced management team of the Company:** With a diverse portfolio spanning the hospitality, granite, and real estate sectors, the company benefits from the strategic vision and multidisciplinary expertise of its leadership team.

- **No Long-term Debt :**
  The company has cleared all its previous term loans and ensures the timely repayment of borrowings. Currently, it does not have any term debt with a fixed repayment schedule, which supports the maintenance of comfortable credit metrics. Additionally, the company generally maintains positive balances across all its bank accounts.

- **Strategic Business Restructuring :**
  The company incurred significant losses in FY25, following which it undertook a strategic phased exit from the loss-making Quartz Manufacturing Unit. Simultaneously, it expanded the Quartz Grit Unit and initiated the development of a new 5-star hotel, aimed at streamlining operations and shifting focus toward high-margin, sustainable business segments.

- **Strong gearing ratio :**
  The company has demonstrated a strong gearing position, with the Total Debt to Tangible Net Worth (TD/TNW) ratio improving significantly from 0.82x to 0.09x in FY25, indicating substantial deleveraging and enhanced financial stability. Currently, the company has short-term borrowings of Rs. 22.00 Crs, with no long-term debt obligations.

Credit Risks-:

- **Net Losses in FY25 :**
  The company incurred net losses of Rs. 15.57 Crs in FY25. However, the promoters responded proactively by swiftly identifying the underlying causes and undertaking a slump sale of the loss-making Quartz unit. The proceeds from the sale are being utilized to support the timely expansion and diversification of the existing hotel and quartz grit units, aimed at mitigating the impact of the losses.

- **Geographical & Portfolio Concentration risk :**
  As the contribution from the Domestic segment as compared to the International segment has reduced significantly in the fiscal year of FY24, the company is exposed to incremental geographical concentration risk. While ~4.02% of the revenue in FY24 was from the domestic sales and ~95.98% from the International sales, the Domestic sales have significantly improved the contribution at 28.14% in FY25 (Prov) with a drastic drop at 71.86% in % International contribution.

- **Industry-related risks:**
  The granite processing industry faces intense competition from other players in the domestic market as well as competing countries, leading to moderate profitability margins. Further, the revenues are vulnerable to macroeconomic factors like the performance of end-user industries such as the real estate sector. The company is also exposed to regulatory risks due to the sensitivity of the mining and quarrying industry to changes in government regulations.

ANALYTICAL APPROACH - Standalone

Standalone -BWR has adopted a standalone approach while arriving at its ratings and applied its rating methodology as detailed in the Rating criteria below (hyperlinks provided at the end of this rationale). SVG Exports Pvt Ltd has a wholly owned subsidiary viz. SVG Properties Pvt Ltd which is engaged in the real estate business. As the contribution from the entity is not significant (~7.89% revenue contribution in FY24) and is in a totally different field, BWR has adopted a standalone approach.

RATING SENSITIVITIES

Going forward, the ability of the firm to improve its operational scale, profitability, and strengthen its liquidity and credit profile would be the key rating sensitivities.

Positive:

The rating may be upgraded if there is a substantial improvement in operating and net profitability margins, and if the company achieves the projected profitability margins in the coming years, with the Tangible Net Worth (TNW) exceeding Rs.. 120.00 Cr. This must be accompanied by a significant and sustained increase in the scale of operations, while maintaining a robust credit profile.

Negative:

The rating may be downgraded if there are further losses in the current financial year, deterioration in the financial risk profile, a decline in revenue and net profit margins, or weakening of liquidity ratios.

LIQUIDITY INDICATORS - Stretched

The liquidity position of the company stands stretched: The average utilization of the overdraft facility & cash credit facility stood at 41.36% & 57.15% respectively during the period from June 24 to April 25. The Debt Service Coverage Ratio (DSCR) stood at 0.66 times in FY24, reflecting a low ability to meet debt obligations. Additionally, the current ratio continues to be below unity at 0.58 times in FY24, indicating a stretched liquidity position, but further increased to 2.06 Crs in FY25 (prov,). In FY24 (Audited), the company maintained a cash and bank balance of Rs 4.21 Crores & 3.72 Crores in FY25 Prov. Net Cash accruals stood at Rs.. 17.00 Crs against Rs 21.85 Crs CPLTD in FY24 & at Rs.-3.03 Crs in FY25 Prov against Rs.. 1.07 Crs CPLTD in FY25. The company currently does not have any long-term borrowings as on date.

Considering all these factors, the liquidity position is assessed as "Stretched".

COMPANY's PROFILE

SVG Exports Private Limited was incorporated in 2001 at Bengaluru, is into diversified businesses viz, Hospitality Business, Manufacturing Business and Real Estate Businesses. The company is engaged in quarry mining, processing and exporting of granite blocks, slabs and tiles & was also one of the first companies in the area to have earned the status of establishing a 100% Export Oriented Unit since inception.
The current businesses and their location of SVG Exports P Ltd.:

- Bangalore - "La Marvella" 3 star Hotel with 102 Rooms
- Hosur Sipcot - Quartz Grit Unit (Previously functioning Granite Unit shifted to Quartz unit)
- Hosur Bairamangalam - Quartz Unit (includes Quartz/SPC/Granite) - Presently Sale has been finalised.
- Bangalore Bommasandra - Upcoming five-star Hotel with 180 rooms, the construction of the same has started & will be completed by September 2026.

SVG Group had also set up a firm called Sree Vishnu Granites to meet the domestic requirements and established an impressive showroom & retail outlet in Bangalore.Mr A. Bhaskar, Mrs. A. Thara, Mr. Vishnukaran Adi Bhaskar, and Ms. Vinushritha Adi Bhaskar are the directors.

Macro Economic Indicator	Sector	Industry	Basic Industry
Commodities	Construction Materials	Other Construction Materials	Other Construction Materials

KEY FINANCIAL INDICATORS

Key Financial Indicators	Units	FY 22 -23	FY 23 -24	FY 24 - 25
Result Type		**Audited**	**Audited**	**Provisional**
Operating Revenue	Rs. Crs.	108.20	128.43	135.00
EBITDA	Rs. Crs.	13.43	4.89	-1.64
PAT	Rs. Crs.	10.87	4.33	-15.57
Tangible Net Worth	Rs .Crs.	125.61	129.94	114.37
Total Debt / Tangible Net Worth	Times	1.07	0.82	0.09
Current Ratio	Times	0.62	0.58	2.06

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY:
Nil

ANY OTHER INFORMATION:
The company has incurred losses in FY25 in its Granite and Quartz businesses and has now completely exited these segments. The company has shifted its focus to the Grits business (which serves as raw material for quartz units) and continues to operate its 3-star hotel business.

The manufacturing facilities for Quartz have been disposed of through a slump sale. The proceeds, along with improved profitability and cash flows from the remaining businesses, have been utilized to repay all outstanding loans pertaining to the earlier operations.

Additionally, the uncertainty about the Hotel expansion plans, which are currently at a nascent stage & absence of historic data regarding the performance of the Grits Unit, which is projected to contribute substantially to future profitability, this shift in business profile, the ratings for the previously rated facilities are proposed to be withdrawn. Meanwhile, a fresh working capital facility of ₹22.00 Cr sanctioned by HDFC Bank is under consideration for assigning a new rating.

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal & suspended]

Facilities	Current Rating (2025)			2025		2024		2023	
Type	**Tenure**	**Amount (Rs.Crs)**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Fund Based	LT	0.00	Withdrawal	14 March 2025	BWR B+/Stable (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)	07Mar 2024	BWR BB- Stable (Continues to be in ISSUER NOT COOPERATING * category/Downgraded)	10 Mar 2023	BWR BBStable (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)
Fund Based	ST	0.00	Withdrawal	14 March 2025	BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed)	07Mar 2024	BWR A4 (Continues to be in ISSUER NOT COOPERATING * category/Reaffirmed)	10 Mar 2023	BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)
Non-Fund Based	ST	0.00	Withdrawal	14 March 2025	BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed)	07Mar 2024	BWR A4 (Continues to be in ISSUER NOT COOPERATING * category/Reaffirmed)	10 Mar 2023	BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)
Fund Based	LT	22.00	BWR BB-/Stable (Assignment)	-	-	-	-	-	-

Hyperlink/Reference to applicable Criteria

- General Criteria
- Approach to financial ratios
- Manufacturing Company
- Service Sector Company
- BWR Withdrawal Policy

Analytical Contacts	
Mukul Singh Sahu Rating Analyst mukulsingh.s@brickworkratings.com	**Ravi Rashmi Dhar** Director - Ratings ravi.d@brickworkratings.com
1-860-425-2742 media@brickworkratings.com	Customer Support CustSupport@brickwrokratings.com

SVG Exports Pvt Ltd.
ANNEXURE I
Details of Bank Loan Facilities rated by BWR

Sl. No.	Name of the Bank/Lender	Type of Facilities	Long Term (Rs.Crs.)	Short Term (Rs.Crs.)	Total (Rs.Crs.)	Complexity of the instrument*
1	HDFC Bank	Cash Credit	20.00	-	20.00	Simple##
2	HDFC Bank	Overdraft	2.00	-	2.00	Simple##
TOTAL			22.00	0.00	22.00	
Total (Rupees Twenty Two Crores Only)						

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com / download / ComplexityLevels.pdf. Investors' queries can be sent to info@brickworkratings.com.

ANNEXURE II
INSTRUMENT (NCD/Bonds/CP/FDs) DETAILS
NIL

ANNEXURE III
List of entities consolidated
NIL

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