



Rating Rationale

Sorathia Velji Ratna & Company

5 Feb 2021

Brickwork Ratings has reviewed the Rating for the Bank Loan facilities of ₹110 Crores of Sorathia Velji Ratna & Company based on best available information, as the issuer did not cooperate. Accordingly, the rating for the said instrument is as under

Particulars

Facility	Amt Rated (Rs. Cr)		Tenure	Rating History	Present Rating
	Previous	Present		Jan-20	
Fund Based – Cash Credit	22.5	22.5	Long Term	BWR BB+ (Stable) Issuer Non-Cooperation**	BWR BB- (Stable) Issuer Non-Cooperation**
Non Fund Based – Bank Guarantee	87.5	87.5	Short Term	BWR A4+ Issuer Non-Cooperation**	BWR A4 Issuer Non-Cooperation**
Total	110	110	Rupees One Hundred and Ten Crore Only		

#Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

*Issuer did not co-operate; based on best available information.

** As per the information provided in March 2016

Nature of Non-cooperation:

The rating was due for a review in January 2021. Brickwork Ratings (BWR) took up with the issuer to provide required information over emails and through telephone communication. Despite the best efforts of Brickwork Ratings to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the issuer, Brickwork Ratings is unable to assess the issuer's financial performance and its ability to service its debt and maintain valid rating.

Limitations of the ratings:

Information availability risk is a key factor in the assessment of credit risk as generally, non-cooperation by the rated entities to provide required information for a review of the assigned ratings may also be accompanied by financial stress. Users of the credit ratings should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the ratings.

Analytical approach

For arriving at its ratings, Brickwork Ratings has applied its ratings methodology as detailed in the Rating Criteria below (hyperlinks provided at the end of this rationale).



About the Company:

Set up in 1974, as a partnership firm by the late Mr Velji Ratna Sorathia, Gandhidham-based SVRC primarily constructed overhead tanks and executed underground sump works during initial years on operations. The firm is now managed by the third generation of promoter family with Mr Haresh Sorathia as the managing partner. It is approved as an 'AA' class (highest in a scale starting from AA to E) civil contractor by the governments of Gujarat, Rajasthan, and Madhya Pradesh. The firm has expanded operations to undertake construction of dams, main canals, branch canals, distribution systems, bridges, and highways.

As per publicly available information, BWR understands that Sorathia Velji Ratna & Co. has been converted into a Pvt. Ltd. company named Velji Sorathia Infra Pvt. Ltd.

Rating History for the last three years (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2021)			Rating History		
		Type (Long Term/Short Term)	Amt (RsCrS)	Rating	January 2020	August 2018	March 2016
1.	Cash Credit	Long Term	22.5	BWR BB- (Stable) (Issuer Not Cooperating)	BWR BB+ (Stable) (Issuer Not Cooperating)	BWR BBB (Stable) Rating Not Reviewed	BWR BBB (Stable)
2.	Bank Guarantee	Short term	87.5	BWR A4 (Issuer Not Cooperating)	BWR A4+ (Issuer Not Cooperating)	BWR A3 Rating Not Reviewed	BWR A3
			110				

^Issuer did not co-operate; based on best available information

NA: Not Applicable

Status of non-cooperation with previous CRA (if applicable) - NA

Any other information – NA

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)

For any other criteria obtain [hyperlinks](#) from website



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ANNEXURE I

Details of Bank Loan Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [Rs. Crs]	Short Term [Rs. Crs]	Total [Rs. Crs,]
1.	HDFC Bank	Cash Credit	12.00	0.00	12.00
		Bank Guarantee	0.00	33.00	33.00
2.	ICICI Bank	Cash Credit	2.00	0.00	2.00
		Bank Guarantee	0.00	18.00	18.00
3.	Mehsana Urban Cooperative Bank	Cash Credit	3.50	0.00	3.50
		Bank Guarantee	00.00	11.50	11.50
4.	Proposed	Cash Credit	5.00	0.00	5.00
		Bank Guarantee	0.00	25.00	25.00
TOTAL Rupees One Hundred and Ten Crore Only					110



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