



Press Release

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Swastik Pipe Limited

November 17, 2020

Ratings

Instrument / Facility	Amount (Rs. Crore)	Ratings	Rating Action
Long Term Bank Facilities - Cash Credit	118.00	IVR BB; ISSUER NOT COOPERATING (IVR Double B; ISSUER NOT COOPERATING) *	Revised from IVR BBB-; Stable; ISSUER NOT COOPERATING (IVR Triple B Minus with stable outlook; ISSUER NOT COOPERATING) *
Long Term Bank Facilities – Term Loan	12.00 (including proposed term loan of Rs. 8.50 Crore)	IVR BB; ISSUER NOT COOPERATING (IVR Double B; ISSUER NOT COOPERATING) *	Revised from IVR A3; ISSUER NOT COOPERATING (IVR A Three; ISSUER NOT COOPERATING) *
Short Term Bank Facilities – LC/BG	70.00	IVR A4; ISSUER NOT COOPERATING (IVR A Four; ISSUER NOT COOPERATING) *	Revised from IVR A3; ISSUER NOT COOPERATING (IVR A Three; ISSUER NOT COOPERATING) *
Total	200.00		

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

Details of Facility are in Annexure 1

Detailed Rationale

Infomerics, vide press release dated October 15, 2019, had revised the rating of Swastik Pipe Limited (SPL) under the "ISSUER NOT COOPERATING" category as the company had failed to provide information for monitoring of its assigned rating to the bank facilities. Further, Infomerics has been consistently following up with SPL for obtaining information through emails dated November 3rd, 2020; November 5th, 2020 and November 7th, 2020. However, the issuer has remained non cooperative.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information.



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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 downgrade.

Detailed Key Rating Drivers

Annual review for ISSUER NOT COOPERATING based on best available information.

Analytical Approach & Applicable Criteria

Guidelines on what constitutes Non-Cooperation by clients

Rating Methodology for Manufacturing Companies

Financial Ratios & Interpretation – (Non-financial Sector)

About the Company

Swastik Pipe Ltd (SPL), incorporated in 1973, is an established pipe manufacturing company in India. The company manufactures wide varieties of Mild Steel/Carbon Steel ERW Black and Galvanized Pipes/ Tubes, which have a diversified industrial use such as for irrigation & sewage, water supply & plumbing, oil & gas and automobiles. The company sells all its products under its registered brand “T.T. Swastik”. The company has its corporate office in New Delhi and manufacturing facilities at Jhajjar (Haryana) and Mathura (Uttar Pradesh). Both the facilities are ISO 9001:2000 certified and APIQ1 (quality management system) approved.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Financials

For the year ended / As on	31-03-17	31-03-18	31-03-19
	Audited	Audited	Audited
Total Operating Income	630.53	658.69	722.89
EBITDA	32.02	31.06	34.65
PAT	4.46	5.04	6.38



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For the year ended / As on	31-03-17	31-03-18	31-03-19
Total Debt	129.66	169.8	201.74
Tangible Net Worth	84.14	88.22	93.79
Ratios			
EBITDA Margin	5.08	4.71	4.79
PAT Margin	0.71	0.77	0.88
Overall Gearing Ratio	1.54	1.92	2.15

*Financials of 2018 & 2019 have been obtained from MCA website

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2020-21)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18
1.	Cash Credit	Long Term	118.00	IVR BB; ISSUER NOT COOPERATING	IVR BBB-; Stable; ISSUER NOT COOPERATING (Oct 15, 2019)	IVR BBB; Stable (Aug 9, 2018)	-
2.	Term Loan	Long Term	12.00 (including proposed term loan of Rs.8.50 crore)	IVR BB; ISSUER NOT COOPERATING	IVR BBB-; Stable; ISSUER NOT COOPERATING (Oct 15, 2019)	IVR BBB; Stable (Aug 9, 2018)	-
3	LC/BG	Short Term	70.00	IVR A4; ISSUER NOT COOPERATING	IVR A3; ISSUER NOT COOPERATING (Oct 15, 2019)	IVR A3+ (Aug 9, 2018)	-

* Issuer did not cooperate; based on best available information



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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.

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

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 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 Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long term Fund Based Facilities - Cash Credit	-	-	-	118.00	IVR BB; ISSUER NOT COOPERATING



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Long Term Debt – Term Loan			-	12.00 (including proposed term loan of Rs. 8.50 Crore)	IVR BB; ISSUER NOT COOPERATING
Short term Non-Fund Based Facilities – LC/BG	-	-	-	70.00	IVR A4; ISSUER NOT COOPERATING

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

