



Press Release

Swati Industries

April 07th, 2025

Ratings

Instrument / Facility	Amount (Rs. Crore)	Current Rating	Previous Rating	Rating Action	Complexity Indicator
Long Term Bank Facilities	10.43	IVR BB/ Negative; INC* (IVR Double B with Negative outlook; ISSUER NOT COOPERATING)	IVR BB+/ Stable (IVR Double B Plus with Stable Outlook)	Rating downgraded and moved to Issuer Not Cooperating category	Simple
Short Term Bank Facilities	37.50	IVR A4 (IVR A Four; ISSUER NOT COOPERATING)	IVR A4+ (IVR A Four Plus)	Rating downgraded and moved to Issuer Not Cooperating category	Simple
Total	47.93	Rupees Forty-Seven Crores and Ninety-Three Lakhs			

* ISSUER NOT COOPERATING; Based on best available information

Details of Facilities/Instrument are in Annexure 1

Facility wise lender details are at Annexure 2

Detailed explanation of covenants is at Annexure 3

Ratings

The rating has been downgraded and moved to 'ISSUER NOT COOPERATING' category due to non-submission of No Default Statement (NDS).

Detailed Rationale

The rating revision is because of lack of adequate information regarding Swati Industries performance and hence the uncertainty around its credit risk. Infomerics Valuation and Rating Limited (Formerly Infomerics Valuations and Ratings P Ltd) (IVR) assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

Infomerics has been regularly following up with the firm to provide the No Default statement vide multiple E-mail communications latest by April 03, 2025, and through various telephonic calls. However, despite repeated requests by Infomerics, the firm has not submitted the No Default Statement since January 2024. In the absence of adequate information from the entity, IVR is unable to assess the entity's financial performance and its ability to service its debt and maintain a valid rating. Hence, on account of inadequate information, IVR is unable to assess the entity's financial



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performance and its ability to service its debt and maintain a valid rating. Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

Analytical Approach: For arriving at the ratings, IVR has analysed Swati Industries credit profile by considering the standalone financial statements of the company.

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Guidelines on what constitute Non-Cooperation by clients](#)

[Complexity level of rated instrument/ facilities](#)

[Criteria of assigning rating outlook](#)

[Policy on Default Recognition](#)

About the Company

Swati Industries was established as a partnership firm in 1991 by Mr. Keshav Garg, Mrs. Nishi Garg and Mr. Vaneet Garg as its partners. The firm is involved in manufacturing, forging & fabricating scaffoldings and their accessories such as clamps, cup lock systems, and frame systems for automobile, agriculture and construction industry. It also exports finished products to countries like USA, Dubai, Holland, Korea, Portugal, Egypt and Spain. The firm has four manufacturing units at Ludhiana. The firm is accredited to ISO 9001:2000 certification and follows the latest international standards.

Financials (Standalone):

	(Rs. crore)	
For the year ended / As on*	31-03-2022	31-03-2023
	(Audited)	(Audited)
Total Operating Income	250.67	276.98
EBITDA	7.28	9.90
PAT	1.08	1.40
Total Debt	44.72	58.35
Tangible Net worth	24.43	26.72
EBIDTA Margin (%)	2.90	3.57
PAT Margin (%)	0.43	0.51
Overall Gearing Ratio (x)	1.83	2.18
Interest Coverage ratio	2.25	2.58

*Classification as per Infomerics' standards



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Status of non-cooperation with previous CRA: Brickworks Ratings vide their press release dated October 08th, 2024, has put under issuer not cooperating category due to non-submission of required information.

Any other information: NA

Rating History for last three years:

Sr. No	Type of Instrument/ Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 (March 19, 2024)	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
1.	Cash Credit	Long Term	8.50	IVR BB/ Negative; INC*	IVR BB+/ Stable	-	-
2.	Term Loan/GECL	Long Term	1.93	IVR BB/ Negative; INC*	IVR BB+/ Stable	-	-
3.	Packing Credit/ Pre-Shipment Credit in Foreign Currency (PCFC)	Short Term	16.50	IVR A4; INC*	IVR A4+	-	-
4.	Foreign Documentary Bills Purchase (FDBP)	Short Term	14.00	IVR A4; INC*	IVR A4+	-	-
5.	Bill Discounting	Short Term	3.00	IVR A4; INC*	IVR A4+	-	-
6.	Letter of Credit (ILC/FLC)	Short Term	4.00	IVR A4; INC*	IVR A4+	-	-

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

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly known as Infomerics Valuation and Rating Private Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External



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Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com

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 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 Facilities

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	-	-	-	8.50	IVR BB/ Negative; INC
Long Term Fund based Facilities- Term Loan/GECL	-	-	Oct, 2024	1.93	IVR BB/ Negative; INC
Short Term Fund Based Facilities- Packing Credit/	-	-	-	16.50	IVR A4; INC



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Pre-Shipment Credit in Foreign Currency (PCFC)					
Short Term Fund Based Facilities- Foreign Documentary Bills Purchase (FDBP)	-	-	-	14.00	IVR A4; INC
Short Term Fund Based Facilities- Bill Discounting	-	-	-	3.00	IVR A4; INC
Short Term Non-Fund Based Facilities- Letter of Credit (ILC/FLC)	-	-	-	4.00	IVR A4; INC

Annexure 2: Facility wise lender details.

<https://www.infomerics.com/admin/prfiles/Len-Swati-Industries-7apr2025.pdf>

Annexure 3: Detailed explanation of covenants of the rated securities/facilities: Not Applicable.

Annexure 4: List of companies considered for consolidated/combined analysis: Not Applicable.

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 <http://www.infomerics.com>.