



Press Release

Swastika Infra Private Limited

July 16, 2024

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Facilities	24.58	IVR BB+/ Negative ISSUER NOT COOPERATING* (IVR Double B Plus with Negative Outlook Issuer Not Cooperating)	IVR BBB-/ Stable (IVR triple B minus with stable outlook)	Downgraded and moved to Issuer Not Cooperating category	Simple
Short Term Facilities	105.50	IVR A4+ ISSUER NOT COOPERATING* (IVR A Four Plus Issuer Not Cooperating)	IVR A3 (IVR A Three)	Downgraded and moved to Issuer Not Cooperating category	Simple
Total	130.08 (INR one hundred thirty crore eight lakh only)				

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

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The downgrade in the ratings is because of lack of adequate information regarding Swastika Infra Private Limited's (SIPL) performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its ratings and reviews the same as per its policy. The outlook remains negative due to information availability risk. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using these ratings as the ratings may not adequately reflect the credit risk profile of the entity.



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Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data & NDS to monitor its assigned rating to the bank facilities, vide mail communications dated 4th April 2024, 26th April 2024, 1st July 2024, 2nd July 2024, 3rd July 2024, 11th July 2024, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted surveillance fees and all the essential details required for detailed review of the assigned ratings.

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 ratings based on the best available information. Accordingly, the ratings of the bank loan facilities aggregating to INR 130.08 crore of SIPL shall be moved in the 'ISSUER NOT COOPERATING' category by Infomerics and the long term rating be noted as 'IVR BB+/ Negative ISSUER NOT COOPERATING' based on best available information (IVR Double B Plus with Negative Outlook and Issuer not cooperating based on best available information) and the short term rating be noted as 'IVR A4+ ISSUER NOT COOPERATING' based on best available information (IVR A Four Plus Issuer not cooperating based on best available information).

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Infrastructure Companies](#)

[Criteria of assigning Rating outlook](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

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

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

About the Firm

Incorporated in 2019, Swastika Infra Private Limited (SIPL) has grown very fast over the years with successful ventures into power project contracting and trading of electrical parts. SIPL is



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mainly engaged into execution of turnkey projects for laying of power transmission lines directly and indirectly for government agencies and is also involved in trading of electrical cables and conductors and related electrical products.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2022	31-03-2023
	Audited	Audited
Total Operating Income	59.19	153.36
EBITDA	5.96	18.53
PAT	1.68	10.39
Total Debt	35.69	22.66
Tangible Net Worth	20.86	35.71
EBITDA Margin (%)	10.06	12.08
PAT Margin (%)	2.81	6.73
Overall Gearing Ratio (x)	1.71	0.63
Interest Coverage (x)	2.03	3.73

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					(Jun 29, 2023)	-	-
1.	Guaranteed Emergency Credit Line	Long Term	0.08	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable	-	-
2.	Cash Credit Limits	Long Term	23.50	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable	-	-
3.	Overdraft	Long Term	1.00	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable	-	-



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Sr. No.	Name of Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 (Jun 29, 2023)	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
						-	-
4.	Letter of Credit	Short Term	5.00	IVR A4+ ISSUER NOT COOPERATING*	IVR A3	-	-
5.	Bank Guarantee Limits	Short Term	100.50	IVR A4+ ISSUER NOT COOPERATING*	IVR A3	-	-

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

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) 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 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 and definition of ratings please visit www.infomerics.com.



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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: Facility Details

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Guaranteed Emergency Credit Line	-	-	-	July 2024	0.08	IVR BB+/ Negative ISSUER NOT COOPERATING*
Cash Credit 1	-	-	-	-	6.00	IVR BB+/ Negative ISSUER NOT COOPERATING*
Cash Credit 2	-	-	-	-	5.00	IVR BB+/ Negative ISSUER NOT COOPERATING*
Cash Credit 3	-	-	-	-	12.50	IVR BB+/ Negative ISSUER NOT COOPERATING*
Overdraft	-	-	-	-	1.00	IVR BB+/ Negative ISSUER NOT COOPERATING*
Letter of Credit	-	-	-	-	5.00	IVR A4+ ISSUER NOT COOPERATING*
Bank Guarantee 1	-	-	-	-	29.00	IVR A4+ ISSUER NOT COOPERATING*
Bank Guarantee 2	-	-	-	-	20.00	IVR A4+ ISSUER NOT COOPERATING*
Bank Guarantee 3	-	-	-	-	29.00	IVR A4+ ISSUER NOT COOPERATING*
Bank Guarantee 4	-	-	-	-	15.00	IVR A4+ ISSUER NOT COOPERATING*
Bank Guarantee 5	-	-	-	-	7.50	IVR A4+ ISSUER NOT COOPERATING*

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



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Annexure 2: Facility wise lender details: Not Applicable

Annexure 3: Detailed explanation of covenants of the rated Security/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 www.infomerics.com.

