



Press Release

Swiss Park Vanijya Pvt. Ltd.

July 12, 2022

Ratings

Sl. No.	Type of Facility	Rated Amount (Rs Cr.)	Ratings	Rating Action	Complexity Indicator
1	Long Term Fund Based Facilities	39.83	IVR A+/ Stable (IVR Single A Plus With Stable Outlook)	Assigned	Simple
Total		39.83 (Rupees Thirty-Nine Crore and Eighty-Three Lakh only)			

Details of Facilities are in Annexure 1

Detailed Rationale

The ratings assigned to the bank facilities of Swiss Park Vanijya Private Limited ('SPVPL' or 'the Company') factors in the long-standing experience of the promoters in the solar power generation industry, satisfactory financial performance, location advantage, availability of long term PPA with a Government body ensures revenue visibility and relatively lower counterparty credit risks, and structured repayment mechanism.

The ratings, however, are constrained by higher exposure to group or related companies, dependence on climatic conditions, and exposure to delays in payments from counterparty will be key rating sensitivities.

Key Rating Sensitivities:

Upward Factors

The rating may move upward if there is a substantial reduction in the non-current investments, long-term loans and advances in group and related Companies.



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Downward Factors

The rating may move downward if there is a substantial decrease in power unit generation leading to declining revenues and profitability, a substantial increase in the non-current investments, and long-term loans and advances, and any adverse regulatory changes in the renewable energy sector in the state.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced promoters and operational track record of the plant

All the directors of the Company are well qualified and having sufficient experience in the industry. Mr. Shailesh Jalan who is Managing Director of the Company has 3 decades of total experience and 14 years of experience in this industry. The plant commenced commercial operations in October 2011 and has a demonstrated track record of a satisfactory level of unit generation for the last 11 years. The company is able to generate 90.50 Lakhs units in FY22 as against 92.23 Lakhs units in FY21.

Satisfactory financial performance

The total operating income is stagnant since last 3 FYs. It is in a range of Rs. 14.50 Cr to 16.50 Cr. as the Company has Power Purchase Agreement for 25 years with NVVN at fixed rate. The Company has achieved Total Operating Income of Rs. 15.90 Cr in FY22 (prov.) against Rs. 16.47 Cr. In FY21. The profitability stood comfortable with an EBITDA margin of 82.67% and PAT margin 18.16% in FY22 (prov.) as against EBITDA margin of 88.92% and PAT margin of 23.31% in FY21. The Capital structure stood moderate with a tangible net worth of Rs. 51.34 Cr. The long debt comprises of Term loans of Rs.39.83 Cr. and deferred tax liabilities of Rs. 2.26 Crs. as on March 31, 2022 (prov.).

Satisfactory leverage ratios and debt protection metrics

Leverage ratios stood comfortable with Long Term Debt/Equity at 0.82x, overall gearing at 0.82x and TOL/TNW at 0.91x as on March 31, 2022 (prov.). Debt protection metrics stood comfortable with Interest coverage ratio at 2.73x, Total debt to GCA at 5.06 years, long term debt/EBIDTA at 3.21x years and DSCR at 1.37x as on March 31, 2022 (prov.).



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Location Advantage

The company benefits from the location of its plant in Rajasthan, which receives an adequate number of sunny days.

Availability of Long term PPA with a Government body ensures revenue visibility and relatively lower counterparty credit risks

The company has entered a long-term PPA with NVVN. This agreement indicates the assured off-take of power by NVVN at a fixed tariff for 25 years (PPA valid up to 2036), which indicates long-term revenue visibility for the company. The company has received an LC from NVVN against future receivables of around 1 month.

Satisfactory track record of payments from NVVN

As per the PPA terms, NVVN has to make payments to the company within 45 days from the bill submission. NVVN has been complying with this requirement, and payments have usually come within 2 to 3 working days.

Structured repayment mechanism:

The company is maintaining an escrow account /Trust and Retention Account (TRA) with Kotak Mahindra Bank, and all the project cash flows are routed through this account. In addition, the company has to maintained for 4.5 months interest and principal obligations as specified in the terms of the sanction. This provides an adequate margin of safety for its current and future debt obligations.

Government's thrust on solar energy

The Government of India has provided a thrust on developing renewable energy generation including solar power. The Ministry of New and Renewable Energy (MNRE) has set an ambitious target to set up renewable energy capacities to the tune of 450 GW by 2030.



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Key Rating Weaknesses

Higher exposure to group or related companies

During the last three years, the company reported higher exposure to its group or related companies. As of March 31, 2022 (Prov.), non-current investments, and long-term loans and advances stood at Rs. 18.43 Cr and Rs. 27.45 Cr respectively.

Dependence on climatic conditions

The industry is weather dependent. Only those areas that receive good amount of sunlight are suitable for producing solar energy. During daytime, the weather may be cloudy or rainy, with little or no sun radiation. This makes solar energy panels less reliable as a solution.

Exposure to delays in payments from counterparty

The company's operations are exposed to the likelihood of delayed payments from NVVN. Any variation in the credit profile of NVVN or delays in payments by NVVN is a potential risk factor and is to be monitored.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

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

[Criteria of assigning Rating Outlook](#)

Liquidity – Adequate

The liquidity of the Company remains adequate marked by the sufficient gross cash accruals at Rs. 8.34 Cr as against the long-term debt repayment obligations of 4.72 Cr as on March 31, 2022 (prov.). The cash and cash equivalent were stood at Rs. 1.52 Cr and Fixed Deposit of Rs. 3.87 as on March 31, 2022 (prov.). Current Ratio was adequate at 2.52x as on March 31, 2022 (prov.). The Company's liquidity will remain adequate in the medium term.



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About the Company

Swiss Park Vanijya Private Limited is a Private Limited Company having its registered office at 28-B, Kalighat Road, 1st Floor, Kolkata and corporate office at 7/7A, Sumer Kendra, Pandurang Budhkar Marg, Behind Mahindra Tower, Worli, Mumbai. The company was earlier engaged in share trading and investment activities. The company has subsequently diversified its operations to solar power generation and commissioned a 5 MW grid-connected solar photovoltaic power project in Rajasthan. The company has a PPA for a period of 25 years with NVVN (NTPC Vidyut Vyapar Nigam Limited) at a fixed price.

Financials (Standalone):

INR in Crores

For the year ended* / As on	31-03-2020	31-03-2021	31-03-2022
	Audited	Audited	Provisional
Total Operating Income	15.45	16.47	15.90
EBITDA	13.93	14.65	13.14
PAT	3.47	3.89	3.00
Total Debt	53.03	47.77	42.23
Tangible Net worth (Adjusted)	44.44	48.34	51.34
EBITDA Margin (%)	90.20	88.92	82.67
PAT Margin (%)	21.46	23.31	18.16
Overall Gearing ratio (X) (Adjusted)	1.19	0.99	0.82

*Classification as per infomerics' standards

Status of non-cooperation with previous CRA: NA

Any other information: N.A.

Rating History for last three years:

Sr. No.	Name of Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding /Proposed (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
1.	Term Loan (Outstanding)	Long Term	39.83	IVR A+/ Stable	-	-	-



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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

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

For more information visit www.infomerics.com

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Annexure 1: Details of Facilities

S. No.	Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs Cr.)	Rating Assigned/ Outlook
1	Long Term Fund Based Facilities Term Loan	-	-	Sep 2029	13.81	IVR A+/ Stable
2	Long Term Fund Based Facilities Term Loan	-	-	Sep 2029	26.02	IVR A+/ Stable

Annexure 2: List of companies considered for consolidated analysis: Not Applicable.

Annexure 3: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-Swiss-Park-july22.pdf>

Annexure 4: Detailed explanation of covenants of the rated facilities: 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.