Swiss Park Vanijya Private Limited (SPVPL)

November 25, 2024

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Facilities	27.36 (Reduced from 37.67)	IVR A+/ Stable (IVR A Plus with Stable outlook)	IVR A+/ Stable (IVR A Plus with Stable outlook)	Reaffirmed	Simple
Total	**27.36 (Rupees Twenty-Seven crore and thirty-Six lakh only)**				

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 reaffirmation of the ratings by Infomerics Ratings to the bank facilities of Swiss Park Vanijya Private Limited (SPVPL) continues to factor in the experienced promoters and operational track record of the plant and location advantage along with healthy profitability margins, financial risk profile marked by comfortable capital structure and debt coverage indicators. The rating further continues to derive comfort from applicability of Long term PPA with a Government body ensures revenue visibility and relatively lower counterparty credit risks followed by satisfactory track record of payment from NTPC Vidyut Vyapar Nigam Limited (NVVNL) with structured repayment mechanism and availability of DSRA and Government's thrust on solar energy.

The rating however is constrained by the vulnerability of power generation due to variation on climatic conditions and exposure to delays in payments from counterparty.

The stable outlook reflects extensive experience of the promoters, long term revenue visibility with PPA agreement of 25 years company has entered with NVVNL ending in 2036 at fixed rate of Rs.17.91/kw per unit.

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.

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.
- Any consistent delays in receipt of payment from off taker.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced promoters and operational track record of the plant and location advantage

The directors of the Company are well qualified and having sufficient experience in the relevant industry. Mr. Shailesh Jalan who is Managing Director of the Company has over 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 13 years. The company is able to generate 87.72 Lakhs units in FY24 (refers to the period April 01, 2023, to March 31, 2024) as against 92.81 Lakhs units in FY23(refers to the period April 01, 2022, to March 31, 2023). The company benefits from the location of its plant in Rajasthan, which receives an adequate solar radiation.

Healthy profitability margins

The company EBITDA margin though fluctuated however continued to remain healthy and stood at 60.06% in FY24 (audited) as against 64.37% in FY23. The primary reason for this fluctuation slight variation in actual plant load factor (PLF) which is ranging between 19.97%-21.22% during the last three years ended FY24. The PAT margin of the company moderately improved to 18.78% in FY24 viz-a-viz 4.94% in FY23. The major reason for decline in PAT margin is one time cost associated with transfer of loan from previous lender to present lender.

Comfortable capital structure and moderate debt protection metrics

The capital structure marked by Long term debt Equity and overall gearing stood at 0.84x, and TOL/TNW at 0.95x as on March 31, 2024, and the ratio has marginally improved from 0.88x long term debt equity & overall gearing and 0.98x TOL/TNW as on March 31, 2023, respectively due to scheduled repayment of debt. The debt coverage ratio marked by total debt to GCA moderated from 5.38 in FY23 to 3.90x in FY24 due to lower cash accrual as on balance sheet date. Further, interest coverage ratio remained comfortable at 2.89x in FY24 viz-a-viz 2.18x in FY23 on account of healthy operating profits.

Applicability 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 NVVNL. This agreement indicates the assured offtake 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 a revolving LC from NVVNL against future receivables of 1 month

Satisfactory track record of payments from NVVNL

As per the PPA terms, NVVNL has to make payments to the company within 90 days from the bill submission. NVVNL has been complying with this requirement, and payments have usually come within agreed time frame.

Structured repayment mechanism and applicability of DSRA

The company is maintaining an escrow account with Central Bank of India, and all the project cash flows are routed through this account. In addition, the company is maintaining DSRA of Rs.2.72 crore as specified in the terms of the sanction. This provides an adequate margin of safety for its current and future debt obligations.

Government's trust 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.

Key Rating Weaknesses

Higher exposure to group or related companies

The company is having a significant exposure to its group companies by way of either equity & investment or loan & advances. The same is Rs.13.12 crore in FY24 (FY23: Rs.6.79 crore).

Vulnerability of power generation due to variation 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.

Exposure to delays in payments from counterparty

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

Analytical Approach: Standalone

Applicable Criteria:

Rating Methodology for Infrastructure Companies

Financial Ratios & Interpretation (Non-Financial Sector).

Criteria for assigning Rating outlook.

Policy on Default Recognition

Complexity Level of Rated Instruments/Facilities

Liquidity: Adequate

The liquidity of the Company expected to remain adequate marked by the sufficient cash accruals vis a vis debt repayment. Further current ratio remains at 1.99x as on March 31, 2024 (FY23: 2.18x). The cash and Bank balance stood at Rs 0.14 crore in FY24.

About the company

Swiss Park Vanijya Private Limited is a Private Limited (SPVPL) was incorporated in December 21, 1992, and commenced its business operation from October 14, 2011. SPVPL has registered office in Kolkata and corporate office in 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.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	16.48	15.71
EBITDA	10.61	9.44
PAT	0.88	3.40
Total Debt	37.87	33.47
Tangible Net Worth	42.89	39.96
EBITDA Margin (%)	64.37	60.06
PAT Margin (%)	4.94	18.78
Overall Gearing Ratio (x)	0.88	0.84
Interest Coverage (x)	2.18	2.89

* *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 Security/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	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					(October 09th, 2023)	(July 12th, 2022)	-
1.	Term Loan	Long Term	27.36	IVR A+/ Stable	IVR A+/ Stable	IVR A+/ Stable	-

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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.

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Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	-	September 2029	27.36	IVR A+/ Stable

Annexure 2: Facility wise lender details:
https://www.infomerics.com/admin/prfiles/len-SwissPark-nov24.pdf

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.