

October 27, 2023

Swastik Polyvinyls Pvt Ltd : Rating downgraded based on best available information; Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Term Loan	3.00	3.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB (Stable) and continues to remain under Issuer Not Cooperating category.
Long Term-Fund Based-Cash Credit	25.00	25.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB (Stable) and continues to remain under Issuer Not Cooperating category.
Total	28.00	28.00	

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

[^]Instrument details are provided in Annexure-1

Rationale

The rating downgrade is because of lack of adequate information regarding Swastik Polyvinyls Pvt Ltd performance and hence, the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its “Policy in respect of non-cooperation by a rated entity” available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the same may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Swastik Polyvinyls Pvt Ltd , ICRA has been trying to seek information from the entity to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite repeated requests by ICRA, the entity’s management has remained non-cooperative. In the absence of the requisite information and in line with the aforesaid policy of ICRA, the rating has been moved to the “Issuer Not Cooperating” category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities : [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology
Parent/Group Support	NA
Consolidation/Standalone	The rating is based on the standalone financial profile of the company.

About the company

SPPL, incorporated in the year 1975, is involved in polymer compounding and provides material science solution to a broad range of industries as per customer specification. It manufactures a wide range of PVC, PP, ABS, Nylon, PC and PBT compounds and related products with different grades. The company serves various specialized and general markets in India for automotive, electrical & electronics, home appliances, footwear, etc. SPPL, at present, possesses production capacity of 25000 MTPA in Sonipat (Haryana).

Key financial indicators:

Standalone	FY 2021	FY 2022
Operating Income (Rs. crore)	64.4	76.8
PAT (Rs. crore)	2.8	3.7
OPBDITA/OI (%)	9.9 %	10.5 %
PAT/OI (%)	4.4 %	4.8 %
Total Outside Liabilities/Tangible Net Worth (times)	1.7	1.3
Total Debt/OPBDITA (times)	0.5	0.4
Interest Coverage (times)	4.5	4.5

PAT: Profit after Tax; OPBDITA: Operating Profit before Depreciation, Interest, Taxes and Amortisation

Source : MCA

Status of non-cooperation with previous CRA: NA

Any other information: None

Rating history for past three years

	Instrument	Type	Current Rating (FY2024)			Chronology of Rating History for the past 3 years			
			Amount Rated (Rs. Crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY 2023	Date & Rating in FY 2022	Date & Rating in FY 2021	
					October 27, 2023	November 16, 2022	September 30, 2021	-	
1	Fund Based-Term Loan	Long Term	3.00	1.22	[ICRA]B +(Stable); ISSUER NOT COOPERATING	[ICRA]BB (Stable) ISSUER NOT COOPERATING	[ICRA]BBB-(Stable)	-	
2	Fund Based-Cash Credit	Long Term	25.00	-	[ICRA]B+ (Stable) ISSUER NOT COOPERATING	[ICRA]BB (Stable) ISSUER NOT COOPERATING	[ICRA]BBB-(Stable)	-	

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long Term-Fund Based-Term Loan	Simple
Long Term-Fund Based-Cash Credit	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Long Term-Fund Based-Term Loan	FY2019	8.50 %	FY 2024	3.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Long Term-Fund Based-Cash Credit	-	-	-	25.00	[ICRA]B+ (Stable);ISSUER NOT COOPERATING

Source: Swastik Polyvinyls Pvt Ltd

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

ANALYST CONTACTS

Rajeshwar Burla
+91 40 4067 6527
rajeshwar.burla@icraindia.com

Subhechha Banerjee
+91 33 7150 1130
subhechha.banerjee@icraindia.com

Sweety Shaw
+91 33 7150 1180
sweety.shaw@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 022-6169 3300
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

About ICRA Limited:

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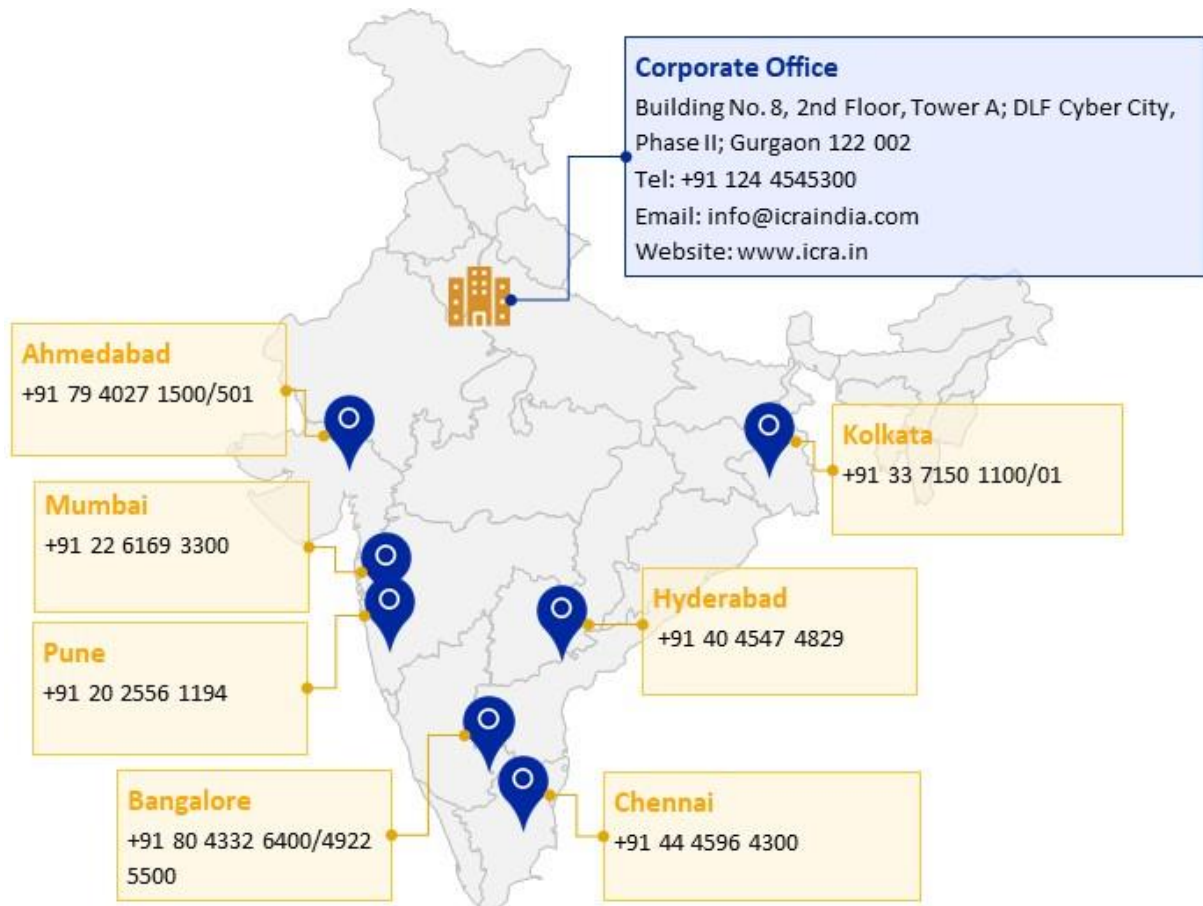
Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



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