

February 12, 2025

Swadesh Green Infra Limited: Ratings downgraded to [ICRA]D and moved to Issuer Non-Cooperating category

Summary of rating(s) outstanding

Instrument [^]	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating outstanding
Long-term – Fund-based – Cash credit	27.50	27.50	[ICRA]D ISSUER NOT COOPERATING*; downgraded from [ICRA]B+ (Stable) and moved to “ISSUER NOT COOPERATING” category based on information
Long-term – Fund-based – Term loans	7.00	7.00	[ICRA]D ISSUER NOT COOPERATING*; downgraded from [ICRA]B+ (Stable) and moved to “ISSUER NOT COOPERATING” category based on Information
Long-term – Unallocated limits	13.50	13.50	[ICRA]D ISSUER NOT COOPERATING*; downgraded from [ICRA]B+ (Stable) and moved to “ISSUER NOT COOPERATING” category based on Information
Short-term Non-fund-based – Bank guarantee	2.00	2.00	[ICRA]D ISSUER NOT COOPERATING*; downgraded from [ICRA]A4 and moved to “ISSUER NOT COOPERATING” category based on information
Total	50.00	50.00	

[^]Instrument details are provided in Annexure I

* Issuer did not cooperate; based on best available information

Rationale

Material Event

On February 10, 2025, ICRA received confirmation from the lenders of Swadesh Green Infra Limited (SGIL) regarding irregularities in debt servicing on the company's borrowing facilities.

Impact of Material Event

The long-term and the short-term ratings assigned to SGIL's bank limits have been downgraded to [ICRA]D/[ICRA]D from [ICRA]B+ (Stable)/[ICRA]A4 following the delays in debt servicing on bank facilities as confirmed by the company's lenders on account of elongated working capital cycle impacting its liquidity profile. However, ICRA has been receiving clean No Default Statement (NDS) from SGIL regularly in the prior months till January 2025, which did not suggest any irregularity in debt servicing.

ICRA has also moved the ratings for the bank facilities of SGIL to the 'Issuer Not Cooperating' category.

As a part of its process and in accordance with its rating agreement with Swadesh Green Infra Limited, ICRA has been trying to seek information from the entity so as to monitor its performance. Despite repeated requests by ICRA, the entity's management has remained non-cooperative. In absence of the requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

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

Liquidity position: Poor

The company's liquidity is poor, as reflected in the delays in debt servicing obligations due to adverse working capital cycle.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Policy on Default Recognition Corporate Credit Rating Methodology Policy in respect of non-cooperation by the rated entity
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

Swadesh Green Infra Limited (SGIL) was incorporated as a private limited company in March 2015. The company is involved in trading and fabrication of iron and steel products. Prior to the incorporation of the company, it was known as Lakshmi Agro Industries, a proprietorship concern of Mr. Ravi Gupta. The business was transferred to SGIL in March 2015 with Mr. Ravi Gupta as the Chairman.

The company is an authorised dealer of SAIL and deals with multiple products such as HR coils/sheets, CR coils/sheets, and other related products. SGIL also provides value-added services, which include cut-to-length and slitting. The stocking locations are fully modernised with overhead cranes, along with highly experienced technical manpower to cater to uninterrupted and timely deliveries. The fully-automated machines and precise processes result in high-quality output.

Key financial indicators (audited)

Swadesh Green Infra Limited	FY2023	FY2024
Operating income	155.5	167.3
PAT	2.2	0.9
OPBDIT/OI	4.1%	5.4%
PAT/OI	1.4%	0.5%
Total outside liabilities/Tangible net worth (times)	6.0	5.7
Total debt/OPBDIT (times)	13.3	10.0
Interest coverage (times)	1.2	1.2

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs crore

Status of non-cooperation with previous CRA:

CRA	Status	Date of Release
CARE	CARE D; ISSUER NOT COOPERATING	January 27, 2025

Any other information: None

Rating history for past three years

Current (FY2025)				Chronology of rating history for the past 3 years					
Instrument	Type	Amount rated (Rs. crore)	Feb 12, 2025	FY2024		FY2023		FY2022	
				Date	Rating	Date	Rating	Date	Rating
Fund-based – Cash credit	Long-term	27.50	[ICRA]D ISSUER NOT COOPERATING	Nov-17-23	[ICRA]B+ (Stable)	Dec-27-22	[ICRA]B+ (Stable)	-	-
Fund-based – Term loans	Long-term	7.00	[ICRA]D ISSUER NOT COOPERATING	Nov-17-23	[ICRA]B+ (Stable)	-	-	-	-
Unallocated limits	Long-term	13.50	[ICRA]D ISSUER NOT COOPERATING	Nov-17-23	[ICRA]B+ (Stable)	Dec-27-22	[ICRA]B+ (Stable)	-	-
Non-fund based – Bank guarantee	Short-term	2.00	[ICRA]D ISSUER NOT COOPERATING	Nov-17-23	[ICRA]A4	Dec-27-22	[ICRA]A4	-	-

Complexity level of the rated instrument

Instrument	Complexity indicator
Long-term – Fund-based – Cash credit	Simple
Long-term – Fund-based – Term loans	Simple
Long-term – Unallocated limits	Not applicable
Short-term – Non-fund-based – Bank guarantee	Very 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 are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash credit	NA	NA	NA	27.50	[ICRA]D ISSUER NOT COOPERATING
NA	Term loans	FY2021	NA	FY2027	7.00	[ICRA]D ISSUER NOT COOPERATING
NA	Unallocated	NA	NA	NA	13.50	[ICRA]D ISSUER NOT COOPERATING
NA	Bank guarantee	NA	NA	NA	2.00	[ICRA]D ISSUER NOT COOPERATING

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis – Not Applicable

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ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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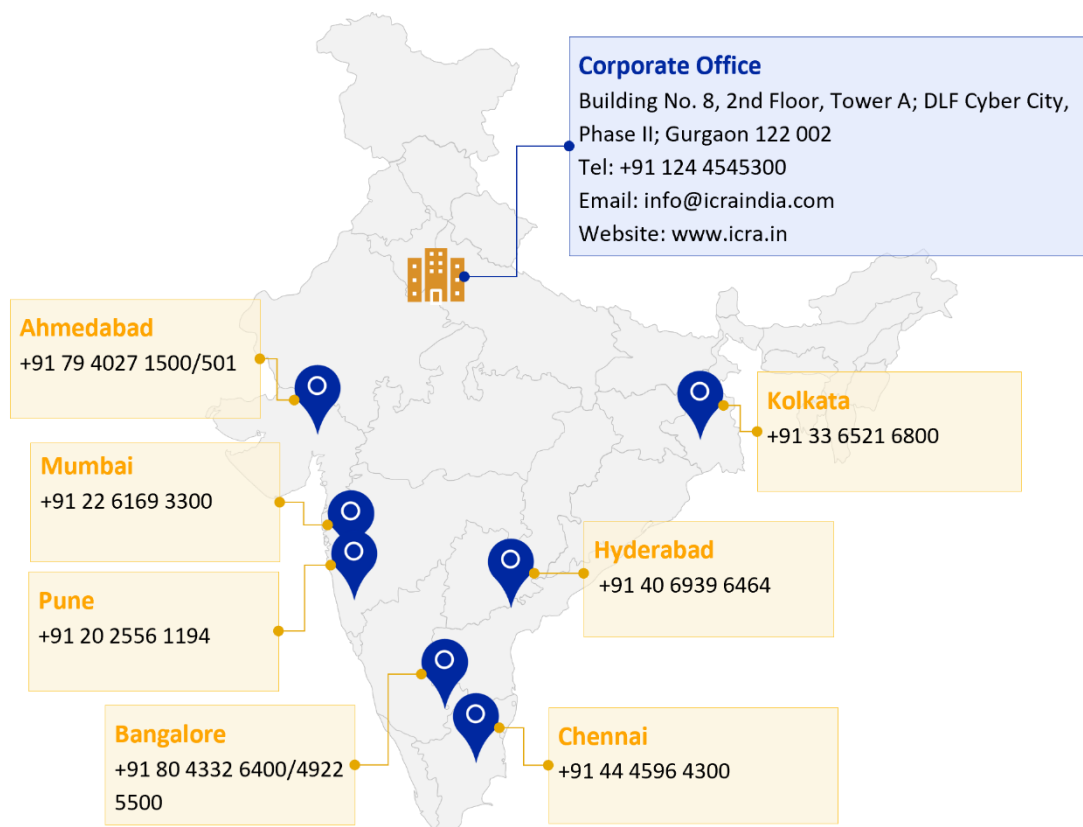


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