

June 30, 2026

## Svarn Infratel Private Limited: Ratings reaffirmed and rated amount enhanced

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund – based – Term loan	30.29	200.68	[ICRA]BBB (Stable); reaffirmed and assigned for enhanced amount
Long term – fund-based – Cash credit	84.00	125.00	[ICRA]BBB (Stable); reaffirmed and assigned for enhanced amount
Short term – Non-fund based	58.00	122.00	[ICRA]A3+; reaffirmed and assigned for enhanced amount
Long term – Interchangeable	(20.00)	(136.00)	[ICRA]BBB (Stable); reaffirmed and assigned for enhanced amount
Short Term – Interchangeable	0.00	(10.00)	[ICRA]A3+; assigned
<b>Total</b>	<b>172.29</b>	<b>447.68</b>	

\*Instrument details are provided in Annexure II

### Rationale

The rating action for Svarn Infratel Private Limited (SIPL) factors in a healthy growth in its turnover and expansion in margins in FY2025. However, ICRA also notes the decline in revenue growth and dip in margins in FY2026 due to the adverse impact of US tariffs. Going forward, ICRA expects the revenue to recover in FY2027 due to the rollback of tariffs and additional contribution from medium-voltage covered conductor (MVCC) cables. Further, healthy growth is expected in FY2028, driven by continued ramp-up in both the cables and enclosure segments. SIPL is also foraying into new verticals, such as e-beam cables, high-voltage cables and the defence, aerospace and automobile segments, which is likely to have a positive impact on the company's performance in the medium term.

The ratings factor in the company's established association with reputed clientele like Nokia Solutions & Networks India Pvt. Ltd (NSN), Reliance Jio Infocomm Limited, Tejas Networks and Indus Towers Limited. SIPL has been associated with its key customer – NSN – for over 15 years and has managed to consistently gain business on the back of regular investments in capacities. Further, the ratings favourably consider the company's diversification into sheet metal enclosures for the defence and telecom sectors and other cable product variants, including automotive harness, renewable and low voltage power cables. ICRA also notes the export opportunities in the US and the data-centre led demand in the domestic market, driven by the tax holiday until 2047 announced in the last Union Budget. This bodes well for the company's medium-term revenue prospects.

SIPL has reported a steady improvement in its margins on the back of a better product mix as well as lower proportion of commodity cable sales to the Indian Railways which is a low-margin business. However, the margins dipped from 12.4% in FY2025 to 11.3% in FY2026 mainly due to the tariff imposed in the US.

The ratings remain constrained by high customer concentration risk as the top five customers accounted for around 72% of the total revenue in FY2025. The customer concentration is likely to moderate to some extent with the diversification of the customer base. Moreover, the dependence on the telecom sector had been high in the past, though efforts to diversify the end-user segments provide some comfort. ICRA also notes that the competitive intensity in the industry, especially for cables, remains elevated which keeps the margins largely range-bound. Moreover, the working capital intensity has elongated in the recent past due to the stretched receivables and inventory levels, exerting some pressure on the liquidity.

Further, the company is undertaking a debt-funded capex programme to expand its manufacturing base/capacities which is likely to exert some pressure on the debt coverage indicators in the near term, although they are likely to improve thereafter.

The company plans to add a medium-voltage cables facility along with e-beam facilities. Further, with the revenues being linked to the investment cycles, any slowdown in capital expenditure in the telecom sector may impact the demand prospects of SIPL's products.

## Key rating drivers and their description

### Credit strengths

**Extensive experience of promoters** – The promoters of the company have been involved in the passive telecom equipment manufacturing industry for the last one decade. They have established strong relations with customers and suppliers, which have helped it to sustain the profit margins despite intense competition.

**Reputed customer profile** – SIPL manufactures passive telecom equipment such as copper cables, data cables, optical fibre cable assemblies, shelters, etc., which are supplied to reputed OEMs such as Tejas Networks, NSN, Indus Tower Limited, Vodafone Idea Ltd, etc. SIPL has added new customers, including Rail Coach Factory, the zonal railways (Northern Railways, Western Railways) & Reliance Jio Infocomm Limited, in recent years, which has supported its revenue growth.

**Diversification into new product segments** – SIPL's growth momentum in the medium term is supported by incremental order flows in the wire and cable segment, which accounted for ~49% of the FY2025 revenue. The diversification of its revenue stream to new product segments like sheet metal components (which accounted for ~32% of the FY2025 revenue) wherein it supplies cabinets, side walls, retention tanks, overhead tanks, etc., and the retail segment (which accounted for ~20% of the FY2025 revenues) for furniture fixtures also supports growth.

**Healthy growth in operating Income** – SIPL is demonstrating a healthy growth in its operating income, driven by the increase in volumes. A healthy order book position, recurring orders and good customer relationships are likely to fuel growth in the medium term.

### Credit challenges

**High customer concentration risk** – SIPL is exposed to customer concentration risk with the top five customers accounting for around 72% of its revenue in FY2025, although it has taken tangible efforts to diversify the customer base by foraying into the export business. Diversification of the product portfolio as well as the customer base with the increase in revenues will alleviate this risk to an extent, going forward.

**Revenues linked to investment cycles in telecom sector** – The revenues of the company are largely linked to the investment cycles in the telecom sector. Any slowdown in capital expenditure may impact the demand prospects, given that ~49% of its revenues are derived from the wire and cable segment and ~32% from sheet metal components. Nonetheless, the company has started supplying to the Indian Railways in recent years, which has mitigated the vulnerability of the revenues to the telecom sector to a certain extent. However, the railway contracts have relatively low profitability.

**High working capital intensity**– SIPL's working capital requirement has increased with the expansion in the business scale. Moreover, as SIPL imports the raw materials (30–35% of the total raw material costs), it has to maintain a stock, leading to high inventory days. The working capital intensity of the business is 27-30% owing to the high debtor and inventory days. Nonetheless, the counterparty credit risk remains low.

**Competitive and fragmented industry** – The copper cable manufacturing industry is characterised by low capital investment and value addition, which results in intense competition. However, the company's relations with various OEMs and its expertise in manufacturing quality cables for the telecom industry helps it in receiving regular orders without compromising on the profit margins. Moreover, the company's foray into new product lines, such as e-beams and medium voltage cables, is expected to mitigate the competition to an extent.

## Liquidity position: Adequate

The working capital utilisation remains high as on date with the utilisation averaging 84% for the 12 months ended December 2025. Also, the funding requirements are expected to remain high because of the ongoing debt-funded capex, scheduled debt repayment obligations and elevated working capital requirements. The company has planned a capex of ~Rs. 60 crore in FY2027. However, SIPL's liquidity position is likely to remain adequate, supported by expected enhancements in working capital facilities which will provide a liquidity buffer and improvement in accruals from operations in the medium term. The company had a free cash balance of ~Rs. 12 crore as of March 2026 (provisional standalone).

## Rating sensitivities

**Positive factors** – A notable improvement in the company's profitability and coverage indicators while sustaining the scale of operations will support an upgrade. Adequate returns from the ongoing capex with a further improvement in the liquidity position can also result in an upgrade.

**Negative factors** – Pressure on the ratings may arise if there is a significant decline in the revenues, putting strain on the cash flows, profitability or liquidity. A specific credit metric for downgrade would be DSCR below 1.4 times on a sustained basis.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the consolidated financials of SIPL along with its subsidiaries - Svarn Middle East DWL LLC, Svarn PTE Limited, PT. Svarn Group Indonesia & Svarn Group LLC - in view of the synergies in their businesses

## About the company

Svarn Infratel Private Limited (SIPL) was incorporated in July 2010 by Mr. Suresh Singhal, Mr. Sadhu Ram Gupta, Mr. Vijay Gupta and Mr. Ajay Gupta. The company is primarily engaged in manufacturing passive telecom infrastructure, including cables and sheet metal components like racks, cabinets and pre-fabricated structure of retail outlets from its three manufacturing plants in Haryana. SIPL is an ISO 9001: 2008 (TUV-NORD), ISO 14001:2004 (DNV) & OHSAS 18001:2007 (DNV) certified entity.

## Key financial indicators (audited)

Consolidated	FY2024	FY2025
Operating income	708.3	871.5
PAT	29.1	42.5
OPBDIT/OI	10.1%	12.2%
PAT/OI	4.1%	4.9%
Total outside liabilities/Tangible net worth (times)	2.0	2.0
Total debt/OPBDIT (times)	3.7	3.3
Interest coverage (times)	3.1	3.0

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore  
 PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: None

## Rating history for past three years

Instrument	Type	Current (FY2027)				Chronology of rating history for the past 3 years					
		Amount rated (Rs. crore)	June 30, 2026	Date	Rating	FY2026		FY2025		FY2024	
						Date	Rating	Date	Rating	Date	Rating
Term loan	Long term	200.68	[ICRA]BBB (Stable)	May 29, 2026	[ICRA]BBB (Stable)	-	-	Feb 28, 2025	[ICRA]BBB (Stable)	Nov 30, 2023	[ICRA]BBB (Stable)
Cash credit	Long term	125.00	[ICRA]BBB (Stable)	May 29, 2026	[ICRA]BBB (Stable)	-	-	Feb 28, 2025	[ICRA]BBB (Stable)	Nov 30, 2023	[ICRA]BBB (Stable)
Non-fund based	Short term	122.00	[ICRA]A3+	May 29, 2026	[ICRA]A3+	-	-	Feb 28, 2025	[ICRA]A3+	Nov 30, 2023	[ICRA]A3+
Interchangeable	Long term	(136.00)	[ICRA]BBB (Stable)	May 29, 2026	[ICRA]BBB (Stable)	-	-	Feb 28, 2025	[ICRA]BBB (Stable)	Nov 30, 2023	[ICRA]BBB (Stable)
Interchangeable	Short term	(10.00)	[ICRA]A3+	-	-	-	-	-	-	-	-

### Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA-rated instruments that fall under the regulatory purview of various Financial Sector Regulators (FSRs) are as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(\*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA that fall under the regulatory purview of various FSRs are as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI

Sr. No.	Activity Name	FSR
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

**Disclosure:** SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSRs other than SEBI.

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund based – Term loan	Simple
Long term – Fund based – Cash credit	Simple
Short term – Non-fund based	Simple
Long term – Interchangeable	Simple
Short term – Interchangeable	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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rates	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loans	FY2025	-	FY2031	200.68	[ICRA]BBB (Stable)
NA	Cash credit/WCDL – 1	NA	NA	NA	55.00	[ICRA]BBB (Stable)
NA	Cash credit/WCDL – 2	NA	NA	NA	70.00	[ICRA]BBB (Stable)
NA	LC/BG/SBLC – 1	NA	NA	NA	22.00	[ICRA]A3+
NA	LC/BG/SBLC – 2	NA	NA	NA	100.00	[ICRA]A3+
NA	Cash credit/WCDL (Sublimit)	NA	NA	NA	(136.00)	[ICRA]BBB (Stable)
NA	LC/BG/SBLC (Sublimit)	NA	NA	NA	(10.00)	[ICRA]A3+

Source: Company

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

**Annexure III: List of entities considered for consolidated analysis**

Company name	SIPL ownership	Consolidation approach
Svarn Middle East DWL LLC	99.0%	Full consolidation
Svarn PTE Limited	100.0%	Full consolidation
PT. Svarn Group Indonesia	99.0%	Full consolidation
Svarn Group LLC	100.0%	Full consolidation

Source: Company

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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.

For more information, visit [www.icra.in](http://www.icra.in)

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### Branches



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