

## Rating Rationale

### Brickwork Ratings reaffirms rating of 'BWR C+' for Bank Loan facilities of ₹6.06 Cr of Swaraj Syntex Pvt Ltd.

Brickwork Ratings has reviewed the **Rating**<sup>1</sup> for Bank Loan facilities aggregating ₹ 6.06 Cr of Swaraj Syntex Pvt Ltd availed from State Bank of India as:

Bank	Facilities	Term	Previous Amount	Current Amount	Previous Ratings	Current Ratings
State Bank of India	Cash Credit	Long Term	3.60	3.60	BWR C+ (Pronounced as BWR C Plus)	BWR C+ (Pronounced as BWR C Plus)
	Term Loan		3.60	2.46		
	<b>Total</b>		<b>7.20</b>	<b>6.06</b>	<b>INR Six Crores and Six Lakhs Only</b>	

BWR has essentially relied upon the audited financials up to FY15, projections upto FY18 of Swaraj Syntex Pvt Ltd, publicly available information/clarification provided by the company's management. The rating has factored inter alia, strength of the company derives from promoter's experience in textiles industry and location advantage. However the rating is constrained by small scale of operation, fragmented industry and thin profitability margins.

#### Firm Profile

Swaraj Syntex Private Limited was incorporated in the year of 1991. The company is engaged in the business of dyeing of grey fabrics on job work basis and trading activity of gray and finished fabrics. Installed capacity is 2,00,000 MT/day. SSPL is located in Surat, Gujarat – hub for textile business. Before 2012, company's core business was manufacturing and trading of finished fabrics and embroidery work; due to weak demand company discontinued its existing operation.

#### Management Profile

Mr. Anil Chaudhary and Mr. Vidyut Jain are directors of the company who look after company's day – to – day operation. The company has over 30 shareholder and majority of shares ~70% are hold by Mrs. Pratibha Agarwal, Mr. Siddarth Agarwal and Mr. Kamlesh Kumar Agarwal together.

#### Financial Performance

As per the audited financial statement submitted for FY15, total operating income has increased to Rs. 21.35 Crores in FY15 against Rs. 19.21 Crores in FY14. The Net Profit Margin was stood at 1.32% in FY15. Networth of company stood at Rs. 7.10 Crores. Interest Service Coverage Ratio and Debt Service Coverage Ratio are at 2.88 and 2.29 respectively for FY15.

<sup>1</sup> Please refer to [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the Ratings

## Rating Outlook

Going forward, increase its scale of operation, improve profitability margins, achieve operational excellence by optimum utilisation of working capital & efficient management and improve overall financial performance will remain the key rating sensitivities.

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