

SWARAJ SUITING LIMITED

CIN-L18101RJ2003PLC018359

Email ID – cs@swarajsuiting.com, Phone No.-09414112677

Website- www.swarajsuiting.com

Date: 25/03/2025

To,
The Manager
Listing & Compliance Department,
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra-Kurla Complex, Bandra,
Mumbai- 400051.

Company Symbol: **SWARAJ**

Series: **SM**

ISIN: **INE0GMR01016**

Sub.: **Disclosure about Credit Rating, pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, as amended**

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, as amended, we wish to inform you that “Crisil Ratings Limited” (Credit Rating Agency) has reaffirmed the ratings to Swaraj Suiting Limited as per details given below:

Facilities	Amount (Rs. In crore)	Long Term Rating
Total bank Loan facilities	340.00	Crisil BBB Stable <i>Reaffirmed</i>

The rating letter dt. March 24, 2025 is attached herewith.

Request you to take the intimation on record

Thanking You,

Yours Faithfully,

For Swaraj Suiting Limited

Rahul Kumar Verma
Company Secretary
& Compliance Officer
M. No. F12348

Encl- As above



Rating Rationale

March 24, 2025 | Mumbai

Swaraj Suiting Limited

Rating reaffirmed at 'Crisil BBB/Stable'; Rated amount enhanced for Bank Debt

Rating Action

Total Bank Loan Facilities Rated	Rs.340 Crore (Enhanced from Rs.80 Crore)
Long Term Rating	Crisil BBB/Stable (Reaffirmed)

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings.

The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has reaffirmed its 'Crisil BBB/Stable' rating to the long-term bank facilities of Swaraj Suiting Ltd (SSL).

The rating reflects the extensive industry experience of the company's promoters, integrated operations and moderate financial risk profile. These strengths are partially offset by susceptibility to volatility in raw material (cotton) prices and to project risk of recent capital expenditure plan, and working capital-intensive operations.

Analytical Approach:

Crisil Ratings has evaluated the standalone business and financial risk profiles of SSL.

Key Rating Drivers & Detailed Description

Strengths:

- Extensive experience of the promoters and integrated operations:** Benefits from the promoters' experience of over three decades, their in-depth understanding of market dynamics and established relationships with suppliers and customers should continue to support the business.

SSL has strategically planned the vertical integration of its operations to the next level of supply chain, aiming to lower production costs and increase the efficiency. It enhanced its weaving capacity with 72 new looms having capacity to produce 1.23 crore metres of fabric per annum; and its denim processing capacity with one line of indigo dyeing range has capacity to produce 72 lakh metres of fabric per annum at unit 1 in Neemuch, Madhya Pradesh. The company has also started civil work for setting up a spinning unit with 22,656 spindles having an installed capacity of 7,344 tonne per annum in Neemuch (unit 2) and for setting up a non-denim processing unit having capacity to produce 2.40 crore metres of fabric per annum.

- Moderate financial risk profile:** Capital structure is healthy due to limited reliance on external funds, yielding gearing of 1.74 times as on March 31, 2024; however, total outside liabilities to adjusted networth ratio was weak at 2.47 times. Despite this, debt protection metrics were comfortable due to moderately healthy profitability: interest coverage and net cash accrual to total debt ratios were 3.47 times and 0.15 time, respectively, for fiscal 2024. The metrics are expected to remain at similar levels over the medium term.

Weaknesses:

- Susceptibility to volatility in raw material (cotton) prices:** The textile spinning industry has several unorganised players with small capacities due to low entry barrier (limited capital and technology requirements) and little differentiation in end products. These factors will continue to exert pricing pressure over the medium term. Moreover, revenue and profitability will remain susceptible to volatility in the price of raw material, cotton.
- Working capital-intensive operations:** Gross current assets (GCAs) were 185.2-154.8 days over the three fiscals ended March 31, 2024 (185.2 days as on March 31, 2024) due to high receivables and inventory levels.

Liquidity: Adequate

Bank limit utilisation was around 60.58% for the 13 months through January 2025. Cash accrual is expected to be over Rs 49 crore against term debt obligation of Rs 18 crore, over the medium term; and the remaining will cushion liquidity. Current ratio was moderate at 1.3 times as on March 31, 2024. The promoters are likely to extend equity and unsecured loans to meet working capital requirement and debt obligation.

Outlook: Stable

The company will continue to benefit from the extensive experience of its promoters and established relationships with clients.

Rating sensitivity factors

Upward factors:

- Sustained improvement in margin to 15% and better scale, leading to higher cash accrual
- Improvement in working capital cycle

Downward factors:

- Decline in net cash accrual below Rs 20 crore on account of fall in revenue or operating profit
- Substantial increase in working capital requirement weakening liquidity and financial risk profile

About the Company

SSL was incorporated in 2003 as a private limited company and reconstituted as a public limited company in March 2022. It is promoted by Mr Mohammed Sabir Khan, Mr Samar Khan and Mr Nasir Khan. The company manufactures cotton and synthetic fabric at its two facilities in Bhilwara (Rajasthan) and Neemuch, with a combined installed capacity of 3.90 crore metres of cotton and synthetic fabric. SSL is listed on the National Stock Exchange

Key Financial Indicators

As on / for the period ended March 31	Unit	2024	2023
Operating income	Rs crore	324.77	219.69
Reported profit after tax (PAT)	Rs crore	18.91	6.17

PAT margin	%	5.70	2.52
Adjusted debt/adjusted networkth	Times	1.74	1.74
Interest coverage	Times	3.40	2.78

Any other information: Not Applicable

Note on complexity levels of the rated instrument:

Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Cash Credit	NA	NA	NA	80.00	NA	Crisil BBB/Stable
NA	Proposed Cash Credit Limit	NA	NA	NA	40.00	NA	Crisil BBB/Stable
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	1.31	NA	Crisil BBB/Stable
NA	Proposed Term Loan	NA	NA	NA	35.00	NA	Crisil BBB/Stable
NA	Term Loan	NA	NA	31-Mar-28	0.31	NA	Crisil BBB/Stable
NA	Term Loan	NA	NA	30-Nov-26	0.87	NA	Crisil BBB/Stable
NA	Term Loan	NA	NA	31-Aug-26	3.85	NA	Crisil BBB/Stable
NA	Term Loan	NA	NA	30-Jun-29	10.56	NA	Crisil BBB/Stable
NA	Term Loan	NA	NA	31-Dec-32	30.00	NA	Crisil BBB/Stable
NA	Term Loan	NA	NA	30-Nov-26	1.01	NA	Crisil BBB/Stable
NA	Term Loan	NA	NA	31-Mar-29	7.89	NA	Crisil BBB/Stable
NA	Term Loan	NA	NA	31-Mar-29	10.40	NA	Crisil BBB/Stable
NA	Term Loan	NA	NA	31-Dec-32	41.61	NA	Crisil BBB/Stable
NA	Term Loan	NA	NA	31-Dec-32	39.74	NA	Crisil BBB/Stable
NA	Term Loan	NA	NA	31-Dec-32	35.00	NA	Crisil BBB/Stable
NA	Term Loan	NA	NA	31-May-27	2.45	NA	Crisil BBB/Stable

Annexure - Rating History for last 3 Years

Instrument	Type	Current		2025 (History)		2024		2023		2022		Start of 2022
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	340.0	Crisil BBB/Stable	28-02-25	Crisil BBB/Stable	--	--	--	--	27-07-22	Withdrawn	Crisil BB+/Stable
			--		--		--		--	04-02-22	Crisil BB+/Stable	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Cash Credit	29	Union Bank of India	Crisil BBB/Stable
Cash Credit	11	State Bank of India	Crisil BBB/Stable
Cash Credit	30	Bank of Baroda	Crisil BBB/Stable
Cash Credit	10	Indian Overseas Bank	Crisil BBB/Stable
Proposed Cash Credit Limit	40	Not Applicable	Crisil BBB/Stable
Proposed Long Term Bank Loan Facility	1.31	Not Applicable	Crisil BBB/Stable
Proposed Term Loan	35	Not Applicable	Crisil BBB/Stable
Term Loan	0.31	Bank of Baroda	Crisil BBB/Stable
Term Loan	0.87	Bank of Baroda	Crisil BBB/Stable

Term Loan	39.74	Indian Overseas Bank	Crisil BBB/Stable
Term Loan	35	Canara Bank	Crisil BBB/Stable
Term Loan	2.45	Small Industries Development Bank of India	Crisil BBB/Stable
Term Loan	7.89	State Bank of India	Crisil BBB/Stable
Term Loan	10.4	Union Bank of India	Crisil BBB/Stable
Term Loan	41.61	Union Bank of India	Crisil BBB/Stable
Term Loan	3.85	Bank of Baroda	Crisil BBB/Stable
Term Loan	10.56	Bank of Baroda	Crisil BBB/Stable
Term Loan	30	Bank of Baroda	Crisil BBB/Stable
Term Loan	1.01	State Bank of India	Crisil BBB/Stable

Criteria Details

Links to related criteria
Basics of Ratings (including default recognition, assessing information adequacy)
Criteria for manufacturing, trading and corporate services sector (including approach for financial ratios)

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