

Press Release

Swachatha Corporation

March 24, 2021

Rating Downgraded



Total Instruments Rated*	Rs. 12.50 crore
Instruments Rated	ACUITE BB Downgraded; Issuer not cooperating [#]
Long Term Rating	ACUITE A4 Downgraded; Issuer not cooperating [#]

* Refer Annexure for details

[#] The issuer did not co-operate; based on best available information.

Rating Rationale

Acuite has downgraded the long term rating to '**ACUITE BB**' (read as **ACUITE double B**) from '**ACUITE BB+**' (read as **ACUITE double B plus**) and the short term rating to '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE A4+**' (read as **ACUITE A four Plus**) on the Rs. 12.50 crore bank facilities of Swachatha Corporation. This rating is now an indicative rating and is based on best available information.

Established in 2001, Swachatha Corporation (SC) is a Bangalore based proprietorship entity promoted by Mr. C.V. Bhanumurthy Reddy. The entity is a contractor for solid waste management with Municipal Corporation in Karnataka, Tamil Nadu, Puducherry, Andhra Pradesh, and Gujarat, among others. The company undertakes tender based contract for Municipal Waste Management (Manual sweeping, Mechanized sweeping, door to door collection of municipal solid waste (MSW), transportation of MSW and drain cleaning); and has current installed capacity for handling of ~1500 MT tons of waste per day.

Non-cooperation by the issuer/borrower

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Applicable Criteria

- Infrastructure Sector - <https://www.acuite.in/view-rating-criteria-51.htm>
- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuite endeavored to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Liquidity Position:

No information provided by the issuer/ available for Acuite to comment upon.

Rating Sensitivities

No information provided by the issuer/ available for Acuite to comment upon.

About the Rated Entity - Key Financials

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No information provided by the issuer/ available for Acuite to comment upon.

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

Not Applicable

Rating History (Upto last three years)

Date	Name of Instrument/ Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
30 Dec 2019	Cash Credit	Long Term	6.00	ACUITE BB+/ Stable (Reaffirmed)
	Bank Guarantee	Short Term	6.50	ACUITE A4+ (Reaffirmed)
7 Dec 2018	Cash Credit	Long Term	1.50	ACUITE BB+/ Stable (Downgraded from ACUITE BBB- Stable)
	Cash Credit	Long Term	4.50	ACUITE BB+/ Stable (Downgraded from ACUITE BBB- Stable)
	Bank Guarantee	Short Term	4.50	ACUITE A4+ (Downgraded from ACUITE A3)
	Bank Guarantee	Short Term	2.00	ACUITE A4+ (Downgraded from ACUITE A3)
13 Nov 2017	Cash Credit	Long Term	4.5	ACUITE BBB- Stable (Assigned)
	Bank Guarantee	Short Term	4.5	ACUITE A3 (Assigned)
	Proposed Bank Guarantee	Short Term	1.00	ACUITE A3 (Assigned)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	CouponRate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	6.00	ACUITE BB Downgraded; Issuer not cooperating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	6.50	ACUITE A4 Downgraded; Issuer not cooperating*

*The issuer did not co-operate; Based on best available information.

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President Tel: 022-49294041 aditya.gupta@acuite.in Hariprasad J Senior Analyst - Rating Operations Tel: Tel: 022-4929 4046	Varsha Bist Senior Manager - Rating Desk Tel: 022-49294011 rating.desk@acuite.in

Hariprasad.j@acuite.in

About Acuité Ratings & Research:

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 8,622 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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