

Press Release

Swachatha Corporation

June 22, 2022



Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	6.00	ACUITE BB- Downgraded Issuer not co-operating*	-
Bank Loan Ratings	6.50	-	ACUITE A4 Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	12.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

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

About the Company

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 noncooperation 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.

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.

About the Rated Entity - Key Financials

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

Rating Sensitivity

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

Material Covenants

None

Liquidity Position

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

Outlook

None

Status of non-cooperation with previous CRA

None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

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

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
24 Mar 2021	Bank Guarantee	Short Term	6.50	ACUITE A4 (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	6.00	ACUITE BB Stable (Downgraded and Issuer not co-operating*)
30 Dec 2019	Cash Credit	Long Term	6.00	ACUITE BB+ Stable (Reaffirmed)
	Bank Guarantee	Short Term	6.50	ACUITE A4+ (Reaffirmed)
07 Dec 2018	Bank Guarantee	Short Term	4.50	ACUITE A4+ (Downgraded from ACUITE A3)
	Cash Credit	Long Term	4.50	ACUITE BB+ Stable (Downgraded from ACUITE BBB- Stable)
	Bank Guarantee	Short Term	2.00	ACUITE A4+ (Assigned)
	Cash Credit	Long Term	1.50	ACUITE BB+ Stable (Assigned)
13 Nov 2017	Cash Credit	Long Term	4.50	ACUITE BBB- Stable (Assigned)
	Bank Guarantee	Short Term	4.50	ACUITE A3 (Assigned)
	Proposed Bank Guarantee	Short Term	1.00	ACUITE A3 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Bank of Maharashtra	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	6.50	ACUITE A4 Reaffirmed Issuer not co-operating*
Bank of Maharashtra	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	6.00	ACUITE BB- Downgraded Issuer not co-operating*

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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