Press Release
HAZEL INFRA LIMITED
November 06, 2025
Rating Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	75.00	-	ACUITE A4+ | Upgraded
Total Outstanding Quantum (Rs. Cr)	75.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded its short term rating to **"ACUITE A4+" (read as ACUITE A four plus)** from **"ACUITE A4" (read as ACUITE A four)** on the Rs.75.00 Crore bank loan facilities of Hazel Infra Limited (HIL).

Rationale for Rating
The rating upgrade reflects the support extended by Swan Corp Limited (Erstwhile Swan Energy Limited) to Hazel Infra Limited on account of the parent-subsidiary relationship between the entities. The rating also draws comfort from the funds infused by Swan Corp Limited (directly and indirectly) in the form of debentures into Hazel Infra Limited (HIL) for revival of the operations of its step-down subsidiary Swan Defence and Heavy Industries Limited (SDHI) wherein ship repair and recycling verticals of the business commenced in Q4 FY2025. Additionally, the company is in the process of restoring the shipbuilding activities, which are expected to commence in Q4 FY2026 and ability of the company to revive the operations as per the schedule will remain a key rating sensitivity. The rating however remains constrained by the nascent stage of current operations and the regulatory risk surrounding the work sphere of SDHI.

About the Company

Mumbai based, Hazel Infra Limited (HIL) was incorporated in 2008 and is a Special Purpose Vehicle (SPV) of two entities – Swan Corp Limited (erstwhile Swan Energy Limited) and Hazel Mercantile Limited with 99% and 1% shareholding respectively as on 31st March, 2025 wherein Swan Corp Limited is engaged in diversified lines of business across manufacturing, defence, energy, and real estate and Hazel Mercantile Limited is engaged in trade and distribution of chemicals, polymers, paper, petroleum, metals, rubber, agro and fertilizers. Mr. Vivek Paresh Merchant, Mr. Bhavik Nikhil Merchant, Mr. Chetan Kanaiyalal Selarka and Mr. Nitinkumar Dindayal Didwania are directors of the company. Furthermore, Hazel Infra Limited has acquired Swan Defence and Heavy Industries Limited (erstwhile Reliance Naval & Engineering Limited). HIL holds 95% in Swan Defence and Heavy Industries Limited and the balance of 5% is held by retail investors. SDHI is engaged in shipbuilding activities along with ancillary activities such as ship repairs, fabrication and ship recycling.

About the Group

Mumbai based, Swan Corp Limited (Erstwhile Swan Energy Limited) was incorporated in 1909 as Swan Mills Limited by J.P. Goenka Group and taken over by Dave and Merchant families in 1992. The company is engaged in diversified lines of business across manufacturing, defence, energy, and real estate. The company's operations are managed by Mr. Nikhil Vasantlal Merchant, Mr. Paresh Vasantlal Merchant, Mr. Chetan Kanaiyalal Selarka, Mr. Navinbhai Chandulal Dave, Mr. Sugavanam Padmanabhan. Hazel Infra Limited and Swan Defence and Heavy Industries Limited (erstwhile Reliance Naval & Engineering Limited) are direct and step-down subsidiaries of Swan Corp Limited.

Unsupported Rating

ACUITE A4

Analytical Approach

Acuite has considered the standalone business and financial risk profile of Hazel Infra Limited to arrive at the rating. Further, Acuite has notched up the rating, taking support of Swan Corp Limited (Erstwhile Swan Energy Limited) on account of the parent-subsidiary relationship, corporate guarantee extended along with the financial support (directly and indirectly) in the form of debentures.

Key Rating Drivers

Strengths

Benefits derived from Parent Entity

Swan Corp Limited (SCL) is the holding/ parent entity of Hazel Infra Limited (HIL) with 99% shareholding as on 31st March, 2025 and is engaged in diversified lines of business across manufacturing, defence, energy, and real estate. SCL (directly and indirectly through its subsidiary) has provided financial support by fund infusion in the form of debentures in FY2025 as well as FY2024. These funds are being utilized for reviving the operations of its step-down subsidiary Swan Defence and Heavy Industries Limited, which is the arm of SCL for shipbuilding and ship ancillary activities business. Acuite believes that HIL (as well as SDHI) will continue to derive benefit from the experienced management, strong business and financial risk profile of Swan Corp Limited.

Niche area of operations

Hazel Infra Limited is a special purpose vehicle (SPV) of ~ Swan Corp Limited (erstwhile Swan Energy Limited) and Hazel Mercantile Limited. HIL has acquired Swan Defence and Heavy Industries Limited (erstwhile Reliance Naval & Engineering Limited). SDHI is engaged in shipbuilding and ancillary activities such as ship repairs, fabrication and ship recycling. The company has entered into agreements with reputed entities such as Mazagon Dock Shipbuilders Limited, Royal IHC and others for bidding for shipbuilding contracts and manufacturing of ships. Acuite expects that the company will continue to derive benefit from its niche area of operations which awards the company a competitive edge over the other probable entrants.

Weaknesses

Nascent stage of operations

Hazel Infra Limited is a special purpose vehicle with no revenue from operations. The company only registers income from other sources such as interest income, profit on sale/ revaluation of investments and commission income which stood at Rs.2.68 Cr. in FY2025 as against Rs.0.27 Cr. in FY2024. Further, Hazel Infra Limited is the holding company of Swan Defence and Heavy Industries Limited (SDHI) and is in the process of reviving the operations of the same. The ancillary activities such as ship repairs, fabrication and ship recycling began in Q4 FY2025. The operations are at a nascent stage and SDHI has clocked revenue of Rs.10.94 Cr. in FY2025. HIL is in the process of restoring the shipbuilding activities and same is expected to commence in Q4 FY2026. Acuité believes that the ability of HIL to ensure revival of SDHI within the expected timeline will remain a key rating sensitivity.

Exposure to Regulatory Risk
Indian defence industry is a highly government regulated industry. There have been continuous regulatory changes in terms of the government's policies towards manufacturing defence assets. The industry is expected to remain highly regulated by the government going forward, exposing the business risk profile to adverse regulatory changes. Acuité believes that any government regulation could have significant impact on the operating income and profitability of the company.

Assessment of Adequacy of Credit Enhancement under various scenarios including stress scenarios (applicable for ratings factoring specified support considerations with or without the "CE" suffix)

Acuite takes into consideration the benefit derived by Hazel Infra Limited from the support of Swan Corp Limited by the parent-subsidiary relationship, corporate guarantee extended along with the financial support (directly and indirectly) in the form of debentures.

Stress Case Scenario

While the rating has been derived on the standalone business and financial risk profiles of HIL, Acuite believes that given the 99% holding of Swan Corp Limited, in case of any stress case scenario, the required support would come from the parent entity.

ESG Factors Relevant for Rating
The Environmental issues require demonstrated expertise in reducing GHG emissions in its shipbuilding and repair operations along with effective management of hazardous materials like paints, solvents, ballast water, etc. across all activities. Further, implementing measures to improve energy efficiency, mitigating air and marine pollution risk, biodiversity and environmental impact management are other key factors. Social factors are dominated by the need for occupational health and safety to manage fatality and injuries given the inherent risks in shipbuilding, ship recycling and fabrication alongside robust human rights and labour practices throughout the supply chain. Lastly, Governance must provide transparent oversight and effective risk management to ensure sustained regulatory compliance and transition toward sustainable shipbuilding and recycling practices.

Rating Sensitivities

- Ability to revive the operations as per the schedule
- Government regulations impacting the industry

Liquidity Position
Adequate

The liquidity profile of the company is adequate marked by investments of Rs.223.84 Crore as on 31st March, 2025 as against Rs.56.13 Crore as on 31st March, 2024 which majorly includes investments in mutual funds of Rs.167.68 Crore and investments in equity shares of Swan Defence and Heavy Industries Limited of Rs.50.00 Crore. In addition, the company has cash and bank balance of Rs.17.83 Crore as against Rs.8.20 Crore as on 31st March, 2024. Acuite expects the liquidity profile to remain adequate since the company has no debt repayment obligations in near to medium term however any large scale fund flow between Hazel Infra Limited and Swan Defence and Heavy Industries Limited will remain a key rating monitorable.

Outlook: Not Applicable

Other Factors affecting Rating
None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	0.00	0.00
PAT	Rs. Cr.	(15.09)	0.07
PAT Margin	(%)	0.00	0.00
Total Debt/Tangible Net Worth	Times	(214.27)	1058.50
PBDIT/Interest	Times	0.14	2.65

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

Not Applicable

Any other information

None

Applicable Criteria

• Default Recognition :- https://www.acuite.in/view-rating-criteria-52.htm
• Manufacturing Entities: https://www.acuite.in/view-rating-criteria-59.htm
• Application Of Financial Ratios And Adjustments: https://www.acuite.in/view-rating-criteria-53.htm

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
08 Aug 2024	Bank Guarantee (BLR)	Short Term	75.00	ACUITE A4 (Reaffirmed)
15 Jul 2024	Bank Guarantee (BLR)	Short Term	75.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
21 Apr 2023	Bank Guarantee (BLR)	Short Term	75.00	ACUITE A4 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Union Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	75.00	Simple	ACUITE A4+ | Upgraded (from ACUITE A4)

*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr. No.	Company name
1	Hazel Infra Limited
2	Swan Corp Limited

Contacts

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About Acuité Ratings & Research
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