

Swastik Furnaces Private Limited

February 04, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	16.61	CARE BB; Stable	Assigned
Long Term / Short Term Bank Facilities	8.89	CARE BB; Stable / CARE A4	Assigned
Short Term Bank Facilities	14.50	CARE A4	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The ratings assigned to the bank facilities of Swastik Furnaces Private Limited (SFPL) remain constrained by its moderate capital structure and debt coverage indicators, concentrated customer base, working capital-intensive operations, and the highly competitive and fragmented nature of the industry. These constraints are, however, partially offset by the promoters' extensive industry experience and the company's improving scale of operations and profitability.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improving in scale of operations of more than ₹300 crore with Profit Before Interest, Lease rentals, Depreciation, and Taxation (PBILDT) margins of more than 10% on sustained basis.

Negative factors

- Deterioration in capital structure with overall gearing of more than 2x
- Deterioration in working capital cycle of more than 200 days.

Analytical approach: Consolidated

Care Ratings Limited (CareEdge Ratings) has analysed the credit profile of Swastik Furnace Private Limited (SFPL) on consolidated basis along with wholly owned subsidiary i.e. Seco Warwick Allied Private Limited (SWAPL) considering similar line of business and common management. (Refer Annexure-6)

Outlook: Stable

The stable outlook reflects CareEdge Ratings' expectation that the company will maintain its business risk profile supported by experience of its promoters.

Detailed description of key rating drivers:

Key weaknesses

Moderate capital structure and debt coverage indicators

The financial risk profile of SFPL remained moderate with a net modest worth of ₹22.71 crore as on March 31, 2025. The capital structure of SFPL primarily consist of term loans, unsecured loans and working capital limits. The capital structure of SFPL remained moderate as marked by overall gearing of 1.08x as on March 31, 2025, as against 1.42x as on March 31, 2024.

Further, during FY25 (refers to April 01 to March 31), the debt coverage indicators also remained moderate as marked by Total Debt to Gross Cash Accruals (TDGCA) and PBILDT Interest Coverage of 3.44x and 2.98x respectively (P.Y. 6.94x and 2.58x respectively). Furthermore, total outside liabilities by Total net worth (TOL/TNW) remained moderate at 3.29x in FY25 (P.Y. 3.12x).

Concentrated customer base

SFPL's customer base remained concentrated, with the top five customers contributing 87% of the total operating income (TOI) in FY25, compared to 57% in the previous year. Any slowdown, loss, or delay in orders from these key customers could adversely impact SFPL's revenue visibility and cash flow profile.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Working capital intensive operations

SFPL's operations are working capital intensive mainly due to funds being blocked in receivables and inventory. The operating cycle remained elongated at 120 days in FY25 (194 days in FY24). Gross Current Assets (GCA) days remained high at 186 days in FY25 (263 days in FY24). The operating cycle is driven by high inventory period of 97 days in FY25. The average lead time from placing the order to delivery is 6-9 months. Hence, the company maintains a high level of inventory to manage the supply chain. Inventory includes a large number of components and work in progress. Receivables days stood at 55 days in FY25 (71 days in FY24). The company receives about 40% as mobilization advances, 50% post-delivery and 10% post one month of installation. Customers are generally offered credit of 50-60 days.

Low orderbook position

The company had an order book of ₹116.48 crore as on August 31, 2025, to be executed by the end of FY26. While this provides near-term revenue visibility, the limited order inflow beyond FY26 constrains long-term revenue visibility. The current order book is largely product-driven, with a product-to-service mix of 99:1.

Highly competitive and fragmented nature of the industry

SFPL operates in a highly competitive furnace manufacturing industry, characterised by the presence of numerous organized and unorganized players. Competition is driven by pricing, technological capabilities, customization requirements, execution timelines, and after-sales support. The intense competitive landscape limits pricing flexibility and exerts pressure on operating margins.

Key strengths**Experienced Promoters**

SFPL is promoted by Rajendra Dogra, Managing Director, a Mechanical Engineer with over 28 years of experience in the industrial furnace manufacturing industry. He oversees project execution and overall management of the company. Baldeep Dogra, Director, is also a Mechanical Engineer with over 25 years of industry experience and is responsible for project operations and business development. The promoters are supported by a team of qualified and experienced professionals.

Growing scale of operations and improving profitability

Over the five-year period ending FY25, SFPL's scale of operations, as reflected by Total Operating Income (TOI), registered a healthy CAGR of 16.26%. In FY25, TOI increased to ₹150.83 crore from ₹69.64 crore in FY24, reflecting a year-on-year growth of ~116%, primarily driven by the commencement of operations at the new factory premises.

Profitability of the company also improved over the past five years ending FY25, with the PBILDT margin improving to 8.94% in FY25 from 3.46% in FY20. However, margins moderated marginally in FY25 due to higher fixed costs incurred in relation to the new plant becoming operational. Further, during H1FY26 (April 1 to September 30), SFPL reported TOI of ₹62.33 crore with PBILDT margins of 7.35%.

Liquidity: Adequate

Liquidity position of the company remained adequate as marked by expected cash accruals of ~₹7 crore as against debt repayment obligations of ~₹4 crore. Further, the average utilization of fund based, and non-fund based remained 81.85% and 47.14% respectively for past twelve months ending November 30, 2025. Furthermore, the cash flow from operations remained stagnant at ₹7.53 crore in FY25 as against ₹6.84 crore in FY24. The company has free cash and bank balance of ₹2.05 crore as on September 30, 2025. (₹1.37 crore as on March 31, 2025).

Applicable criteria[Consolidation](#)[Definition of Default](#)[Liquidity Analysis of Non-financial sector entities](#)[Rating Outlook and Rating Watch](#)[Manufacturing Companies](#)[Financial Ratios – Non financial Sector](#)[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Industrial Products	Other Industrial Products

Incorporated on March 13, 2009, Swastik Furnaces Private Limited (SFPL) is a Thane, Maharashtra-based private limited company promoted by Baldeep Dogra and Rajendra Dogra. The company is engaged in the design, engineering, manufacturing, supply, erection, and commissioning of industrial furnaces and allied accessories catering to both ferrous and non-ferrous industries. SFPL is ISO 9001:2015 certified, with its manufacturing facility located at Wada, Thane.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	69.64	150.83	62.33
PBILDT*	7.11	13.48	4.58
Profit after tax (PAT)	2.97	6.15	0.92
Overall gearing (x)	1.42	1.08	1.40
Interest coverage (x)	2.58	2.98	1.54

A: Audited UA: Unaudited; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	10.50	CARE BB; Stable
Fund-based/Non-fund-based-LT/ST		-	-	-	8.89	CARE BB; Stable / CARE A4
Non-fund-based - ST-Bank Guarantee		-	-	-	12.00	CARE A4
Non-fund-based - ST-Letter of credit		-	-	-	2.50	CARE A4
Term Loan-Long Term		-	-	30/04/2032	6.11	CARE BB; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Term Loan-Long Term	LT	6.11	CARE BB; Stable				
2	Fund-based - LT-Cash Credit	LT	10.50	CARE BB; Stable				
3	Non-fund-based - ST-Letter of credit	ST	2.50	CARE A4				
4	Non-fund-based - ST-Bank Guarantee	ST	12.00	CARE A4				
5	Fund-based/Non-fund-based-LT/ST	LT/ST	8.89	CARE BB; Stable / CARE A4				

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based/Non-fund-based-LT/ST	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple
4	Non-fund-based - ST-Letter of credit	Simple
5	Term Loan-Long Term	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Seco Warwick Allied Pvt Ltd	Full	Wholly owned Subsidiary

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Ankur Sachdeva Senior Director CARE Ratings Limited Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in</p>	<p>Analytical Contacts</p> <p>Akhil Goyal Director CARE Ratings Limited Phone: 022-67543590 E-mail: akhil.goyal@careedge.in</p> <p>Ashish Kashalkar Associate Director CARE Ratings Limited Phone: 9102040009009 E-mail: Ashish.Kashalkar@careedge.in</p> <p>Akhil Thakrar Analyst CARE Ratings Limited E-mail: akhil.thakrar@careedge.in</p>
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