



## Press Release

### Sampann Utpadan India Limited

July 4<sup>th</sup>, 2025

#### Ratings

Instrument Facility /	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Bank Facility	16.21	IVR BB/Stable [Withdrawn] (IVR Double B with Stable Outlook) [Withdrawn]	IVR BB/Stable (IVR Double B with Stable Outlook)	Rating Reaffirmed and Simultaneously withdrawn	Simple
Short Term Bank facilities	2.00	IVR A4 [Withdrawn] (IVR A Four) [Withdrawn]	IVR A4 (IVR A Four)	Rating Reaffirmed and Simultaneously withdrawn	Simple
<b>Total</b>	<b>18.21</b>	<b>(Earlier Rs. Eighteen Crore and Twenty-one lakh)</b>			

Details of Facilities are in Annexure 1. Facility wise lender details are at Annexure 2.

Detailed explanation of covenants is at Annexure 3.

#### Detailed Rationale

Infomerics has reaffirmed the rating of “IVR BB/Stable/IVR A4 and simultaneously withdrawn the rating assigned to the bank facilities of Sampann Utpadan India Limited (SUIL; formerly S. E. Power Limited) with immediate effect. The withdrawal of the rating is based on ‘No Objection Certificate (NOC)’ issued by Yes bank and at the company’s request for withdrawal of ratings. The rating withdrawn is in line with Infomerics’ policy on withdrawal.

The reaffirmation factors in extensive experience of promoters, moderate capital structure and comfortable debt protection metrics of the company in FY’25 (refers to the period April’24 to March’25). The ratings, however, remained constrained by susceptibility to volatility in raw material prices and exposure to intense competition in industry.

“Stable” outlook is assigned considering the extensive experience of promoters and steady demand in the industry.



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### **Key Rating Sensitivities:**

**Upward Factors:** Not Applicable

**Downward Factors:** Not Applicable

### **List of Key Rating Drivers with Detailed Description**

#### **Key Rating Strengths**

##### **Extensive experience of the promoters in the industry**

Incorporated in 2010, SUIL is led by Mr. Sachin Agarwal (Managing Director) and Mr. Sanjeev Rath as Executive Director. The promoters have cumulatively more than six decades of experience in the industry. Their extensive experience has enabled the company to establish strong relationships with various counterparties including suppliers and customers and get repeat orders. The promoters are actively involved in the company's operations along with qualified team of professionals.

##### **Growth in scale of operations albeit operational losses in FY'25.**

SUIL have reported growth of ~29% in revenues to Rs. 92.64 crore in FY'25 (A) vis-à-vis FY'24 (A) mainly driven by increase in demand of the product and addition of new product named Butyl Reclaimed rubber having capacity utilization of around 600 MT/month. However, company reported an operational loss of Rs. 1.20 Cr in FY'25 due to higher operating expenses. SUIL have earned non-operating income of around Rs. 13 crore from selling of EPR Certificate in FY'23, FY'24 and FY'25.

##### **Comfortable Capital Structure backed by unsecured loans from promoters and improvement in debt protection metrics.**

SUIL's capital structure remained comfortable marked by overall gearing and TOL/ATNW of 0.21x and 0.31x respectively as of 31st March 2025 as against 0.27x and 0.38x as of 31st March 2024 owing to schedule repayment of long-term debt and increase in tangible net-worth base led by accretion of profit to reserve.



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### Key Rating Weaknesses

#### **Susceptibility to volatility in raw material prices**

Profitability of tyre and tube manufacturers remains susceptible to volatility in prices of natural and synthetic scrap rubber, which account for substantial portion of the production cost. The high volatility in natural rubber prices can be attributed to tight domestic demand-supply situation, volatility in natural rubber prices and the price of synthetic rubber, which is a substitute for natural rubber and is a crude oil derivative.

#### **Exposure to intense competition in industry**

The tyre manufacturing industry in India is dominated by a few large players. This exposes SUIL to intense competition. Being a supplier to some of major players of the industry namely, CEAT Tyres, Apollo Tyres and few others. SUIL is having established relationship with its clientele however the volatility in its raw material pricing and capability to pass on the same will be monitorable.

**Analytical Approach:** Standalone

#### **Applicable Criteria**

[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria for assigning Rating outlook](#)

[Default Recognition Policy](#)

[Complexity Level of Rated Instruments / Facilities](#)

[Policy on Withdrawal of Ratings](#)

#### **Liquidity- Adequate**

The liquidity position of the company is marked adequate by the annual gross cash accruals of the company, expected to remain in a range of Rs.12 - 14 crore for the next 2 years as against annual debt servicing obligations of Rs. 1 - 4 crore over the same period. The company has reported adequate current ratio at 1.71x as on March 31, 2025 to meet its near-term cash requirements. SUIL average working capital utilization for twelve months ended



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May 2025 stands at ~92% and the unencumbered cash and bank balance stands at Rs. 0.05 crore as on March 31<sup>st</sup> 2025.

### **About the Company**

Vadodara (Gujarat) based SUIL is a public limited entity incorporated in 2010. SUIL specialise in manufacturing of specialised rubber and power generation through windmills. The company is promoted by Mr. Sachin Agarwal who possess almost 3 decades of experience in the industry.

### **Financials (Standalone)**

**(Rs. crore)**

<b>For the year ended / As On*</b>	<b>31-03-2024 (Audited)</b>	<b>31-03-2025 (Audited)</b>
Total Operating Income	71.81	92.64
EBITDA	5.13	-1.20
PAT	(0.85)	4.00
Total Debt	18.06	16.90
Adjusted Tangible Net Worth	67.86	82.15
<b>Ratios</b>		
EBITDA Margin (%)	7.15	-1.29
PAT Margin (%)	(1.19)	3.77
Overall Gearing Ratio(x)	0.27	0.21
Interest Coverage (x)	5.11	-1.20

*\*As per Infomerics' standards*

**Status of non-cooperation with previous CRA: Nil**

**Any other information: Nil**



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Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					(March 28, 2025)	(January 23, 2024)	(October 25, 2022)
1.	Term Loans	Long Term	4.21	IVR BB/ Stable and Withdrawn	IVR BB/ Stable	IVR BB/ Stable	IVR BB/ Stable
2.	Cash Credit	Long Term	12.00	IVR BB/ Stable and Withdrawn	IVR BB/ Stable	IVR BB/ Stable	IVR BB/ Stable
3.	Letter of Credit	Short Term	2.00	IVR A4 and Withdrawn	IVR A4	IVR A4	IVR A4



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### **About Infomerics:**

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd ] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).





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### Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	12.00	IVR BB/Stable and Withdrawn
Term Loan	-	-	-	4.21	IVR BB/Stable and Withdrawn
Letter of Credit	-	-	-	2.00	IVR A4 and Withdrawn

### Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-Sampann-Utpadan-4july25.pdf>

**Annexure 3: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable**

**Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable**

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).



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