



Press Release

Suchi Semicon Private Limited (SSPL)

February 20, 2025

Ratings

Instrument/Facility	Amount (Rs. Crore)	Current Ratings	Previous Rating	Rating Action	Complexity Indicator
Long Term Facilities	68.75	IVR BB- /Stable [IVR Double B minus with Stable Outlook]	-	Assigned	Simple
Short Term Facilities	8.00	IVR A4 [IVR A Four]	-	Assigned	Simple
Total	76.75 (Rupees Seventy- Six crore and Seventy-Five lakh only)	-	-	-	-

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 ratings has assigned the rating to the bank facilities of Suchi Semicon Pvt. Ltd. (SSPL) which derives strength from long-standing business experience of promoters, strong government support to semiconductor industry and positive demand outlook. However, the rating is constrained on account of nascent stage of business operations along with implementation and stabilization risk associated with debt funded newly setup facility. Further the rating is constrained due to input price fluctuation risk along with competitive market.

The “Stable” outlook reflects that the company will get benefit from the experienced management, Government support towards semiconductor industry and positive industry outlook.



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Key Rating Sensitivities:

Upward Factors.

- Commencement of commercial operations in line with scheduled timelines stipulated by the lender and achievement of the projected revenue and profit
- Sustained improvement in profitability margins while maintaining comfortable financial risk profile.

Downward Factors

- Delay in commencement of commercial operations.
- Deterioration in capital structure leading to stretched debt protection metrics.
- Sustainability of key personnel associated with similar industry.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Experienced Promoters:**

SSPL is promoted by Mr. Ashokkumar Mehta and Mr Shetal Mehta who are the promoters of Suchi group. Suchi group is engaged in the textile business for more than 15 years in Surat, Gujarat. The promoter Mr. Ashok Mehta is having more than 2 decades of experience in Textile Industry and having established network, whereas Mr Shetal Mehta has joined the family business for the past 6 years. Although through SSPL the promoters are venturing into entirely a new industry, SSPL will continue to benefit from the business acumen ship of promoters, The company has also appointed technical personnel from Malaysia as key managerial personnel who possess more than two decades of experience in the semiconductor industry.

- **Strong Government Support towards Semiconductor Industry:**

The semiconductor industry is backed by strong Govt. support to setup semiconductors/silicon photonics/sensors fab/discrete semiconductors fab and semiconductor assembly, testing, marking and packaging (ATMP)/outsourced semiconductor assembly and test (OSAT) facilities in India. SSPL has executed a Memorandum of Understanding (MOU) with the Govt of Gujarat in Vibrant Gujarat Global



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Summit 2024 to establish Outsourced semiconductor Assembly & Test (OSAT) facility in the “Diamond City”. Further the industry benefits from the fiscal incentive from state and central government.

- **Positive Demand Outlook**

As the Government is focusing on developing the EV market of automobiles in India, the Integrated circuits play a key role in the circuit assembly, the products offered by the company such as SOIC, TSSOP, SSOP and PDIP are some of the most diverse lead frame packages which found in automobile as it supports functions such as Tire Pressure Monitoring System (TPMS), Drive Train Chassis and Braking safety systems. In such an environment the demand for company's products will be favorable.

Key Rating Weaknesses

- **Nascent stage of business operations coupled with project execution and stabilization risk associated with on-going debt funded capex:**

Suchi Semicon Private Limited (SSPL) was incorporated in July 2023 to set up a Semiconductor Assembly plant for IC related packaging solutions and test related services. SSPL has already started its trial run in Jan'25 and the commercial operations is envisaged to start from April 2025. Being relatively new entrant to the industry as compared to other established players, SSPL is associated with post project implementation risk in form of stabilization of the manufacturing facility to achieve the envisaged scale of operations remain crucial for SSPL.

- **Price Fluctuation risk coupled with exposure to intense competition**

In the semiconductor industry, ATMP (Assembly, Testing, Marking, Packaging) service providers face price fluctuation risks due to volatile raw material costs and production expenses, which can impact their profitability. At the same time, intense competition arises from rapid technological advancements, cost pressures, and global competition, especially from low-cost regions like Asia. These challenges require companies to



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manage costs efficiently, invest in innovation, and differentiate their services to remain competitive and mitigate financial risks.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

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

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

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

Liquidity – Adequate

The liquidity is expected to remain adequate marked by resourcefulness of the promoters. The project DER (Debt to equity ratio) stands at 2.03x. However, the overall liquidity position of the company is expected to remain adequate marked by projected current ratio and quick ratio of 1.58x and 1.03x respectively as on March 31, 2026(projected). Further, the average DSCR for the projected years envisaged at above 2x reflects sufficient cushion over long-term debt repayment which remains key sensitive area in case the company will not be to achieve envisaged scale of operations.

About the Company

Incorporated in 2023, Surat (Gujrat) based Suchi Semicon Private limited (SSPL) will be engaged as an outsourced semiconductor assembly and test service provider for IC related packaging solutions and test related services. The company will specialize in the assembly of silicon wafers, which serve as the foundation for Integrated circuits (ICs) & other electronic components. Mr. Ashokkumar Mehta and Mr Shetal Mehta, promoters of the company are associated with the textile business since more than a decade. Being new entrant to the semiconductor industry, promoters have appointed technical personnel from Malaysia as KMP who is having more than three decades of experience in similar industry. Initially the company will provide an ATMP service of few specified products such as SOIC & SOT devices as per



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inquiries received and later company will also provide service for various other products as per market demands The other group companies such as Suchi Industries Ltd & Suchi Textile Private Limited are engaged in textile business and have a completely different line of business from SSPL.

Financials (Standalone)

Currently there are no operations in the company.

Status of non-cooperation with previous CRA: None

Any other information: None

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
1	Term Loan	Long Term	63.75	IVR BB-/Stable	-	-	-
2	Cash Credit	Long Term	5.00	IVR BB-/Stable	-	-	-
3	Bank Guarantee	Short Term	3.00	IVR A4	-	-	-
4	Foreign Letter of Credit	Short Term	5.00	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.

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Annexure 1: Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	-	September 2032	63.75	IVR BB- /Stable
Cash Credit	-	-	-	-	5.00	IVR BB- /Stable
Bank Guarantee	-	-	-	-	3.00	IVR A4
Foreign Letter of Credit	-	-	-	-	5.00	IVR A4

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-Suchi-Semicon-20feb-25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/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