



Press Release

SMR Plantation Private Limited

February 28, 2025

Ratings

Instrument/ Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	35.00	IVR BBB+/ Stable [IVR Triple B Plus with stable outlook]	IVR BBB+/ Stable [IVR Triple B Plus with stable outlook]	Rating reaffirmed	Simple
Total	35.00 [enhanced from Rs. 16.50 crore]	[Rupees Thirty-five crore only]			

Details of Facilities/Instruments 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 reaffirmed its rating assigned to the bank facilities for the long-term facilities to IVR BBB+ with stable outlook for SMR Plantation Private Limited.

The rating continues to draw comfort from established position in manufacturing and sale of surgical gloves and natural rubber along with extensive experience of promoters. The ratings further drew comfort from moderate scale of operation with healthy profitability and comfortable financial risk profile. The rating also took into consideration operational linkages among group companies along with a closely connected logistics network. However, these rating strengths are partially offset by elongated operating cycle and susceptibility to volatile rubber prices linked to crude oil prices and intense competition. The company also remains exposed to risks associated with moderation in demand post pandemic which could lead to moderation in revenue.

The 'Stable' outlook reflects Infomerics Ratings expectation of sustained profitability and growing scale of operations. Infomerics believes SMR Plantation Private Limited



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will continue to benefit from its operational track record in the business resulting in increased scale of operations

Infomerics Ratings has principally relied on the consolidated audited financial results of SMR Plantation Private Limited and St. Mary's Rubber Private Limited up to 31 March 2024 (refers to period 2 April 1st, 2023, to March 31st, 2024) and projected financials for FY2025 (refers to period April 1st, 2024, to 2 March 31st, 2025) - FY2027 (refers to period April 1st, 2026, to March 31st, 2027), and publicly available information/ clarifications provided by the company's management.

Key Rating Sensitivities:

Upward Factors

- Significant growth in scale of business with further improvement in profitability metrics thereby leading to overall improvement in cash accruals and liquidity.
- Improvement in the capital structure with further improvement in debt protection metrics

Downward Factors

- Dip in operating income and/or profitability thereby impacting the debt coverage indicators and/or any deterioration in the financial risk profile.
- Any further significant rise in working capital intensity leading to a further deterioration in the liquidity position.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Established position in manufacturing and sale of surgical gloves and natural rubber:

The group is an established player in the manufacture and sale of surgical gloves and natural rubber business with a strong presence through a wide distribution network. The group through its plant in Kanjirapally, Kottayam caters to the entire country and



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has a strong brand name being one of the most trusted brands in the rubber industry. The group's manufacturing capacity has grown significantly over the years through inorganic expansion which has helped strengthen its competitive position, through capacity enhancement along with an in-house facility for quality testing; their products have conformity to the EU and FDA quality standards.

Extensive experience of promoters:

SMRPPL & SMRPL are private limited companies incorporated in 2014 & 2002 respectively. The companies are promoted by Mr. Sunny Jacob and Mrs. Mini Sunny. The promoters possess a considerable amount of experience in the field of rubber trade and processing. The promoters have been involved in the business for over two decades in the rubber trading and processing business.

Operational linkages among group companies along with a closely connected logistics network:

The group companies' source raw materials from each other. The horizontal integration in operations has had a positive impact on the overall cost structure of the company. The company has a good supplier network. Its top ten suppliers constitute around a miniscule portion of its total raw material purchases which indicates a well-diversified supply network. Further, majority of its suppliers are located in its close vicinity within the bounds of the location of the plants, which helps the company to save on logistics and mitigate any supply chain disruptions.

Moderate scale of operation with healthy profitability:

As per the combine financial of the group, the total operating income of the group grew at a CAGR of 4.19% during last three years ending March 31, 2024, further on y-o-y basis the TOI of the group remained stagnant at Rs. 343.13 crore in FY24 compared to Rs. 342.88 crore in FY23 on account of increase in sales volume of surgical gloves and Centrifuged latex 60% and average sales realization of centrifuged latex 60% and examination gloves. GCA stood at Rs. 38.37 crore during FY24 decreased from Rs. 39.58 crore in FY23. Despite moderation in scale of operations, the EBITDA margin



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of the group deteriorated by 109 bps and stood at 14.77% in FY24 compared to 15.85% in FY23 on account of increase in raw material consumption cost along with employee cost. With decline in EBITDA margins, the PAT margin has also declined by 74 bps and stood at 7.87% in FY24 as against 8.62% in FY23.

Comfortable financial risk profile

The capital structure of the group stood comfortable marked by overall gearing at 0.28x as on March 31, 2024, improved from 0.30x as on March 31, 2023, on account of improved TNW. Total indebtedness of the company as reflected by TOL/TNW stood at 0.38x as on March 31, 2024, improved from 0.45x as on March 31, 2023, mainly on account of improvement in TNW along with decline in creditors. Further, the debt protection indicator of the company stood healthy marked by interest service coverage of 18.33x in FY24 improved from 12.57x in FY23 mainly on account of decline in interest and finance cost during the year. Total debt to GCA stood moderate at 1.36x as on March 31, 2024 deteriorated from 1.18x as on March 31, 2023, on account of decline in profitability.

B. Key Rating Weaknesses

Elongated operating cycle

The working capital cycle of the group continues to remain elongated at 106 days in FY24, this is due to a high collection and raw material holding period. The group has a high amount of inventory in which most of their cash is tied up, which has led to an elongated operating cycle.

Susceptibility to volatile rubber prices linked to crude oil prices and intense competition

Raw material accounts for a major portion of the total production cost. Rubber prices are highly volatile in nature. The group maintains an adequate amount of average inventory (which is ascertained by the orders in hand and by



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estimating future demand) and procures more rubber between periods of increased demand. Going forward the group expects the demand to increase substantially given the current scenario and exports to boom as well, leading to greater revenue recognition.

Moderation in demand post pandemic could lead to moderation in revenue:

During the pandemic, the demand for examination gloves had increased substantially. The healthy demand has led to both volume growth and value growth. Realizations increased substantially due to significant demand- supply gap. The moderation in demand post pandemic could lead to moderation in revenue.

Analytical Approach: Consolidated

Consolidated Approach (For arriving at the rating, Infomerics has taken the consolidated view of SMR Plantation Pvt Ltd (SMR Plantation) & its 100% subsidiary St. Mary's Rubbers Pvt Ltd. (SMR Rubber) together referred to as SMR group for rating purpose. Additionally, SMR Plantation has also given the corporate guarantee for the debt taken by St. Mary's Rubber Pvt Ltd.)

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

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

[Criteria for assigning Rating outlook.](#)

[Criteria for consolidation of companies](#)

[Policy on Default Recognition](#)

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

Liquidity – Adequate



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The liquidity position of the group is adequate marked by 78.71% consolidated average utilisation of fund-based limits during the past 12 months ended December 31, 2024. Further, the group expects sufficient cushion in cash accruals against its debt repayments for the next 3 years. The group has a Current Ratio of 1.92x as of March 31, 2024. The Unencumbered cash and bank balance of the group stood at Rs.1.09 Crores as on January 31, 2025. The Working Capital Cycle of the company stood elongated at 106 days in FY24 deteriorated from 93 days in FY23 on account of increase in collection and raw material holding period.

About the Company

Group comprises of SMR Plantation Private Limited and St. Mary's Rubber Private Limited. SMR Plantation Private Limited was incorporated on 11th June, 2014. The company has a plant located at Koovappally in Kottayam district in Kerala. The production facility of SMR Plantation Pvt Ltd undertakes designing a production of Centrifuged Latex, Creamed Latex and Skimmed Block Rubbers. In FY17, SMR Plantation acquired St. Mary's Rubber Private Limited and subsequently the company became a wholly owned subsidiary of SMR Plantation. In 2017, St. Mary's Rubber Private Limited transferred some plants to SMR Plantation, the transfer of assets was recognised in 2018 when all licenses with St. Mary's Rubber Private Limited were transferred in the name of SMR Plantation Private Limited. Currently, SMR Plantation Private Limited undertakes the production of Latex and related goods and St. Mary's Rubber Private Limited undertakes the production of surgical gloves, condoms, foams, elastic threads, rubber bands etc. The group is run by Mr. Sunny Jacob and his wife Mrs. Mini Sunny. Mr. Sunny Jacob has over 20 years of experience in the field of rubber trade and processing.



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Financials (Consolidated):

(Rs. Crore)

For the year ended* / as on	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	342.88	343.13
EBITDA	54.35	50.66
PAT	29.57	27.05
Total Debt	46.73	52.11
Tangible Net Worth	156.29	183.20
Ratios		
EBITDA Margin (%)	15.85	14.77
PAT Margin (%)	8.62	7.87
Overall Gearing Ratio (x) (including quasi-equity)	0.30	0.28
Interest Coverage (Times)	12.57	18.33

**Classification as per Infomerics` standards*

Status of non-cooperation with previous CRA: Vide press release dated October 18, 2024, India Rating and Research Private Limited have kept the ratings under non-cooperation category on account of non-submission of relevant information.

Any other information: Not Applicable

Rating History for last three years:

Sr . N o.	Name of Instrument/Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 (January 01, 2024)	Date(s) & Rating(s) assigned in 2022-23 (Oct 11, 2022)	Date(s) & Rating(s) assigned in 2021-22 (July 12, 2021)
1.	Long Term Facilities	LT	35.00	IVR BBB+/Stable	IVR BBB+/Stable	IVR BBB+/Stable	IVR BBB+/Stable
2	Short Term Facilities	ST	-	-	-	-	IVR A3+



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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 visit 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	-	-	-	20.00	IVR BBB+/Stable
WCDL	-	-	FY2025	10.00	IVR BBB+/Stable
Proposed	-	-	-	5.00	IVR BBB+/Stable

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-SMRP-feb25.pdf>

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

Annexure 4: List of companies considered for consolidated analysis:

Name of the Company	Consolidated Approach
SMR Plantation Private Limited	Full Consolidation
St. Mary's Rubbers Private Limited	Full Consolidation

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.