



## Press Release

Suresh Indu Lasers Private Limited

April 29, 2024

### Ratings

Instrument / Facility	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator (Simple/ Complex/ Highly complex)
Long Term Bank Facilities	37.52	IVR BB/Stable (IVR Double B with Stable Outlook)	Assigned	<a href="#">Simple</a>
Short Term Bank Facilities	19.25	IVR A4 (IVR A Four)	Assigned	<a href="#">Simple</a>
Proposed Long Term/Short Term Bank Facilities	2.53	IVR BB/Stable; IVR A4 (IVR Double B with Stable Outlook; IVR A Four)	Assigned	<a href="#">Simple</a>
<b>Total</b>	<b>59.30 (Rupees forty-nine crore only)</b>			

**Details of Facilities are in Annexure 1**

### Detailed Rationale

The rating assigned for the bank facilities of Suresh Indu Lasers Private Limited derive strength from experienced promoters, established relationship with clients and low customer concentration and Leading manufacturer of laser cutting machining centres However, the rating strengths are partially offset due to Moderate Scale of operations and profitability Inherent volatility in end-user industry and Susceptibility to fluctuations in raw material prices.

### Key Rating Sensitivities:

#### Upward rating factor

- Sustained scale up in revenue to more than Rs 250 crore with sustenance of operating profitability at 8%.

#### Downward rating factor

- Sustained de-growth in revenue and decline in operating margin below 5%.



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### List of Key Rating Drivers with Detailed Description

#### A. Key Rating Strengths

##### **Extensive experience of promoters and directors.**

SILPL is promoted by late Dr. Suresh Shah. It was incorporated as private limited company on February 21, 1990. After the death of promotor, his elder son Mr. Vardhaman Shah took control of the business and became managing director of the company. He is having almost 30 years of work experience in manufacturing industries on various platforms. Mr. Goshal Shah, younger son of late Dr. Suresh Shah became technical director of the company, and he is now having more than 25 years' work experience in the field of research and development of laser, optics, laser power supply and laser equipment. Smt. Mandakini Shah, wife of Mr. Goshal Shah is the financial director of the company, and she is having more than 20 years of work experience in finance industry. Overall, the company is managed by promoters and directors having extensive industry experience.

##### **Established relationship with clients and low customer concentration.**

The company has established relationships with reputed clients such as Ultra CorpoTech Private Limited, Tata Technology Limited, Wipro Pari Private Limited, Victora Auto Private Limited & Forbes Marshall Private Limited, etc. The customer concentration of the company has been historically low, which works to the company's advantage. In FY2023, the top five clients of the company contributed only ~17% to the company's total revenues.

##### **Leading manufacturer of laser cutting machining centres**

SILPL is one of the largest players in the market specially in the field of laser cutting and marking machines. There are very few competitors in the market in India SILPL's strong R&D and technical capabilities and the extensive experience of the promoters in the machine tools industry help it in providing customized solutions to the customers. Laser machine manufacturing is a technology and capital-intensive business; this apart, high precision level is one of the critical requirements in the value chain of auto manufacturers, resulting in high entry barriers for new entrants.



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### **Key Rating Weaknesses**

#### **Moderate scale of operations and profitability**

The TOI was Rs. 137.09 crore in FY23 and PAT was Rs. 2.52 crore. Margins were moderate at 6.06% for EBITDA and 1.83% for PAT. Capital structure of the company was moderate debt-equity was 1.91x, overall gearing was 2.60x and TOL/TNW was 5.48x as on March 31, 2023.

#### **Inherent volatility in end-user industry**

SILPL is vulnerable to the cyclicity and volatility in industry performance, which depends significantly on the capex cycles in the underlying consumer sectors. SILPL's products find application mainly in the automotive industry along with other end-user industries like general engineering, electronics, defence, railways, etc.

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

The major raw materials used by the company are fibre laser, Cutting Head, marking machines, welding machines and other electrical equipment which form a major portion of the total cost. Hence, SILPL's profitability remains exposed to the fluctuations in the prices of these commodities.

**Analytical Approach:** Standalone Approach

#### **Applicable Criteria:**

[Rating Methodology for Manufacturing Companies](#)

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

[Criteria of Rating Outlook | Infomerics Ratings](#)

[Criteria of Default Recognition](#)

#### **Liquidity –Adequate**

The company has adequate liquidity of Rs. 2.93 crore balanced with current and quick ratio of 1.11x and 0.39x respectively with gross cash accruals (GCA) of Rs. 5.86 crore in FY23.



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### **About the company:**

Suresh Indu Lasers Private Limited (SILPL) is a leading manufacturer of equipment and systems for laser cutting, laser welding, laser marking, laser engraving, laser micro machining, and laser cladding. SIL is amongst the pioneer in laser technology in India, with 34 years of experience in laser industry, optics & opto – mechanical Equipments which makes them to manufacture all kinds of laser machines for customers since 1990.

SILPL was incorporated on February 21, 1990. The company has four manufacturing plant in India. Its Head Office is in Pune (Maharashtra) and three sales office in New Delhi - Noida, Bengaluru, Mumbai and Ahmedabad. The company also has service personnel stationed at various cities of India to provide after sales service and support.

### **Financials (Standalone):**

(Rs. Crore)

For the year ended / As On*	31-03-2022 (Audited)	31-03-2023 (Audited)
Total Operating Income	121.16	137.09
EBITDA	6.56	8.30
PAT	1.72	2.52
Total Debt	15.85	30.66
Tangible Net worth	8.36	13.32
<b>Ratios</b>		
EBITDA Margin (%)	5.41	6.06
PAT Margin (%)	1.42	1.83
Overall Gearing Ratio (x)	2.34	2.60

\* Classification 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: Nil

Sr. No.	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	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
1.	Cash Credit	Long Term	25.00	IVR BB/Stable (IVR Double B with Stable Outlook)	-	-	-
2.	Term Loan	Long Term	12.52	IVR BB/Stable (IVR Double B with Stable Outlook)	-	-	-
3.	Working Capital Demand Loan	Short Term	3.75	IVR A4 (IVR A Four)	-	-	-
4.	Bank Guarantee	Short Term	7.50	IVR A4 (IVR A Four)	-	-	-
5.	Letter of Credit	Short Term	8.00	IVR A4 (IVR A Four)	-	-	-
6.	Proposed	Long Term / Short Term	2.53	IVR BB/Stable; IVR A4 (IVR Double B with Stable Outlook; IVR A Four)	-	-	-

**Name and Contact Details of the Rating Analyst:**

Name: Jyotsna Gadgil

Tel: (020) 29913006

Email: [jyotsna.gadgil@infomerics.com](mailto:jyotsna.gadgil@infomerics.com)



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### **About Infomerics:**

Infomerics Valuation and Rating Private Ltd (Infomerics) 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](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
Term Loan	-	-	-	12.57	IVR BB/Stable (IVR Double B with Stable Outlook)
Cash Credit				25.00*	IVR BB/Stable (IVR Double B with Stable Outlook)
Working Capital Demand Loan				3.75	IVR A4 (IVR A Four)
Bank Guarantee				7.50	IVR A4 (IVR A Four)
Letter of Credit				8.00	IVR A4 (IVR A Four)
Proposed Long Term / Short Term				2.53	IVR BB/Stable; IVR A4 (IVR Double B with Stable Outlook; IVR A Four)

\* Includes sub limit of packing credit (pre/post shipment) of RS. 8.00 crore and import/inland of Rs. 17.50 crore.

**Annexure 2: List of companies considered for consolidated analysis: Not Applicable.**

**Annexure 3: Facility wise lender details:**

<https://www.infomerics.com/admin/prfiles/len-Suresh-Indu-apr24.pdf>

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable**



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**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)

