



## Press Release

**Sampann Utpadan India Limited (SUIL)**  
**(Formerly Known as S.E.Power Limited)**

March 28, 2025

### Ratings

Facilities	Amount (Rs. crore)	Current Ratings	Previous Rating	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Bank facilities	16.21 (Reduced from 16.66)	IVR BB/Stable (IVR Double B with Stable Outlook)	IVR BB/Stable (IVR Double B with Stable Outlook)	Reaffirmed	Simple
Short Term Bank facilities	2.00	IVR A4 (IVR A Four)	IVR A4 (IVR A Four)	Reaffirmed	Simple
<b>Total</b>	<b>18.21 (Reduced from 18.66)</b>	<b>(Rupees Eighteen Crores and Twenty-One lakh only)</b>			

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

The reaffirmation in the ratings assigned to the bank facilities of Sampann Utpadan India Limited (SUIL) (Formerly Known as S.E.Power Limited) factors in extensive experience of promoters in the manufacturing industry, moderate capital structure and comfortable debt protection metrics of the company in FY'24 (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, stable financial performance with growth in TOI & profits in 9MFY25 and positive development towards capacity expansion.



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### **Key Rating Sensitivities:**

#### **Upward Factors**

- Consistent and substantial business growth with enhanced profitability, leading to improved cash flow and liquidity.
- Improvement in capital structure and stronger debt coverage metrics.

#### **Downward Factors**

- Any decline in scale of operations and/or moderation in profitability leading to decline in the debt protection metrics.
- Any debt funded capex leading to deterioration in the debt protection parameters and/or the liquidity position of the company.

### **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.

##### **Moderate Scale of operations and profitability however reported operating losses in 9M FY'25 as against corresponding period.**

SUIL have reported growth of ~24% in its top-line in 9M FY'25 results vis-à-vis 9M FY'24, however the company have reported an operational loss of Rs. 0.31 Cr during 9MFY'25 (Provisional) results. However, SUIL have earned non-operating income of Rs. 3.35 Cr from selling of EPR Certificate during 9M FY'25. The rise of ~23% in its scale of operations in FY'24 on y-o-y basis was majorly due to increase in demand of the product and addition of new product named Butyl Reclaimed rubber having capacity utilization of 26.67% in the 1<sup>st</sup> year as against its installation capacity of 300 MT/month.



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

SUIL's capital structure remained comfortable marked by overall gearing and TOL/ATNW of 0.27x and 0.38x respectively as of 31st March 2024 as against 0.15x and 0.21x as of 31st March 2023 owing to increase in long-term and short-term debt as on balance sheet date. Further, the debt coverage indicators marked by interest coverage ratio improved from 3.65x in FY23 to 5.11x in FY24 with long-term debt outstanding at Rs. 5.20 Cr (including CPILTD) and short-term debt outstanding at Rs. 9.83 cr as on as on 31st March 2024.

### **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**



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### 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 adequate on account of the fact that the expected gross cash accruals of the company are likely to remain favourable relative to its debt-servicing obligations during FY25-FY27. The cash flow from operations also stood positive at Rs. 4.75 Cr in FY'24 from negative Rs. 0.75 Cr in FY'23. Further, company has reported adequate current ratio at 1.23x as on March 31, 2024 to meet its near-term cash requirements. SUIL average working capital utilization for twelve months ended January 2025 stands at 91.43%. The unencumbered cash and bank balance stands at Rs. 0.05 crore as on March 31st 2024.

### **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 decade of experience in the industry.

### **Financials (Standalone)**

**(Rs. crore)**

For the year ended / As On*	31-03-2023 (Audited)	31-03-2024 (Audited)
Total Operating Income	58.25	71.81
EBITDA	3.56	5.13
PAT	(1.67)	(0.85)
Total Debt	10.07	18.06
Adjusted Tangible Net Worth	69.68	68.61
<b>Ratios</b>		
EBITDA Margin (%)	6.12	7.15
PAT Margin (%)	(2.86)	(1.19)
Overall Gearing Ratio(x)	0.15	0.27
Interest Coverage (x)	3.65	5.11

\*As per Infomerics' standards



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Status of non-cooperation with previous CRA: Nil

Any other information: Nil

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
					(January 23, 2024)	(October 25, 2022)	(October 09, 2021)
1.	Term Loans	Long Term	4.21	IVR BB/Stable	IVR BB/Stable	IVR BB/Stable	IVR BB-/Stable
2.	Cash Credit	Long Term	12.00	IVR BB/Stable	IVR BB/Stable	IVR BB/Stable	IVR BB-/Stable
3.	Letter of Credit	Short Term	2.00	IVR A4	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	-	-	Revolving	12.00	IVR BB/ Stable
Term Loan	-	-	-	4.21	IVR BB/ Stable
Letter of Credit	-	-	-	2.00	IVR A4

### Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/len-sampann-utpadan-28mar25.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).