



Press Release
SAKTHI ACCUMULATORS PRIVATE LIMITED
June 02, 2025
Rating Reaffirmed and Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	46.53	ACUITE C Reaffirmed & Withdrawn	-
Bank Loan Ratings	3.47	Not Applicable Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	50.00	-	-

Rating Rationale

Acuite has reaffirmed and withdrawn the long term rating of 'ACUITE C' (read as ACUITE Co) on the Rs. 46.53 Cr. bank facilities of Sakthi Accumulators Private Limited (SAPL). The rating is being withdrawn on account of request received from the company and NOC (No Objection Certificate) received from the banker. Further, Acuite has withdrawn the long term rating on Rs. 3.47 Cr. facilities without assigning any rating as these were proposed facility of Sakthi Accumulators Private Limited. The rating is being withdrawn on account of request received from the company. The rating withdrawal is in accordance with Acuite's policy on withdrawal of rating as applicable to the respective facility / instrument.

Rationale for the rating

The reaffirmation of rating considers recent irregularities identified in its repayment as reflected in the Credit Bureau Information report up to February 2025. As per the report, there is a delay of 28 days in the repayment of the Medium-Term Loan and a prolonged overutilisation of 58 days in the Cash Credit (CC) account.

About the Company

Incorporated in 1992 at Anekal Taluk (Bangalore), 'Sakthi Accumulators Private Limited (SAPL) was started by Mr. R. Kandasamy as a partnership firm for the manufacturing and marketing of lead batteries. Later in 2014, the company reconstituted itself as a private limited liability company. The day-to-day operations of the company are managed by Mr. Shiv Kumar and Mr. Nagaraj Rajgopal.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has taken standalone financial and business risk profile of Sakthi Accumulators Private Limited (SAPL) to arrive at this rating.

Key Rating Drivers

Strengths

Long track record of operations and experienced management

SLPL was incorporated in the year 1992 at Anekal Taluk (Bangalore) as a partnership firm by R. Kandasamy, who has three decades of experience in a similar line of business. The company manufactures lead batteries (tubular batteries, automotive batteries, and traction batteries), which find application in UPS, inverters, and solar panels,

among others. The manufacturing facilities have an installed capacity of 1000 million VAH (volt-ampere hours) per year. The company will continue to benefit from the extensive experience of its promoters and its established presence in the Other Automobile Ancillaries industry.

Weaknesses

Delays in servicing debt obligations

As per Credit Bureau Information Report up to February 2025, there is a delay of 28 days in the repayment of the Medium-Term Loan and a prolonged overutilisation of 58 days in the Cash Credit (CC) account.

Susceptibility of margins to competition in fragmented industry and volatility in lead prices

Competitive and fragmented Industry SAPL operates in a highly competitive and fragmented market with limited entry barriers. The company manufactures lead batteries (tubular batteries, automotive batteries, and traction batteries), which find application in UPS, inverters, and solar panels, among others. Hence, in order to increase sales amidst the highly competitive Indian automobile sector, automobile dealers are likely to thin down their margins.

Rating Sensitivities

- Timely servicing of debt obligations

Liquidity Position

Stretched

The company's liquidity is marked by net cash accruals of Rs. 20.04 Cr. in FY2025 (prov.) as against debt obligation of Rs.3.00 Cr. over the same period. As per Credit Bureau Information Report up to February 2025, there is a delay of 28 days in the repayment of the Medium-Term Loan and a prolonged overutilisation of 58 days in the Cash Credit (CC) account. Further, the current ratio of the company stood at 1.20 times in FY2025 (prov.). The working capital cycle although efficient has increased and is marked by Gross Current Assets (GCA) of 71 days for FY2025 (prov.) as compared to 54 days for the FY2024. The bank limit utilization has been moderate, averaging approximately 72.84 percent over the last six months, ending in January 2025. Acuité believes that the liquidity of the company is likely to improve over the medium term backed by steady accruals, moderately utilised short-term borrowings and moderate current ratio.

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	288.15	254.61
PAT	Rs. Cr.	17.41	7.80
PAT Margin	(%)	6.04	3.06
Total Debt/Tangible Net Worth	Times	0.77	1.35
PBDIT/Interest	Times	7.96	3.93

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
11 Feb 2025	Cash Credit	Long Term	11.00	ACUITE C (Downgraded & Issuer not co-operating* from ACUITE B)
	Covid Emergency Line.	Long Term	1.82	ACUITE C (Downgraded & Issuer not co-operating* from ACUITE B)
	Term Loan	Long Term	20.00	ACUITE C (Downgraded & Issuer not co-operating* from ACUITE B)
	Covid Emergency Line.	Long Term	2.71	ACUITE C (Downgraded & Issuer not co-operating* from ACUITE B)
	Proposed Long Term Bank Facility	Long Term	3.47	ACUITE C (Downgraded & Issuer not co-operating* from ACUITE B)
	Cash Credit	Long Term	11.00	ACUITE C (Downgraded & Issuer not co-operating* from ACUITE B)
17 Dec 2024	Cash Credit	Long Term	11.00	ACUITE B (Downgraded & Issuer not co-operating* from ACUITE B+ Stable)
	Covid Emergency Line.	Long Term	1.82	ACUITE B (Downgraded & Issuer not co-operating* from ACUITE B+ Stable)
	Term Loan	Long Term	20.00	ACUITE B (Downgraded & Issuer not co-operating* from ACUITE B+ Stable)
	Covid Emergency Line.	Long Term	2.71	ACUITE B (Downgraded & Issuer not co-operating* from ACUITE B+ Stable)
	Proposed Long Term Bank Facility	Long Term	3.47	ACUITE B (Downgraded & Issuer not co-operating* from ACUITE B+ Stable)
	Cash Credit	Long Term	11.00	ACUITE B (Downgraded & Issuer not co-operating* from ACUITE B+ Stable)
04 Oct 2023	Cash Credit	Long Term	11.00	ACUITE B+ Stable (Assigned)
	Covid Emergency Line.	Long Term	1.82	ACUITE B+ Stable (Upgraded from ACUITE B)
	Term Loan	Long Term	20.00	ACUITE B+ Stable (Upgraded from ACUITE B)
	Covid Emergency Line.	Long Term	2.71	ACUITE B+ Stable (Upgraded from ACUITE B)
	Proposed Long Term Bank Facility	Long Term	3.47	ACUITE B+ Stable (Upgraded from ACUITE B)
	Cash Credit	Long Term	11.00	ACUITE B+ Stable (Assigned)
09 Aug 2022	Letter of Credit	Short Term	2.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	6.00	ACUITE B (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	2.21	ACUITE B (Reaffirmed & Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	13.79	ACUITE B (Reaffirmed & Issuer not co-operating*)
	Proposed Cash Credit	Long Term	4.00	ACUITE B (Reaffirmed & Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	11.00	Simple	ACUITE C Reaffirmed & Withdrawn
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	11.00	Simple	ACUITE C Reaffirmed & Withdrawn
State Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	05 Dec 2028	1.82	Simple	ACUITE C Reaffirmed & Withdrawn
State Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	05 Dec 2028	2.71	Simple	ACUITE C Reaffirmed & Withdrawn
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.47	Simple	Not Applicable Withdrawn
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	28 Feb 2031	20.00	Simple	ACUITE C Reaffirmed & Withdrawn

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About Acuité Ratings & Research

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