



**Press Release**  
**SUPRABHA INDUSTRIES LIMITED**  
**April 28, 2025**  
**Rating Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	19.32	ACUITE BB   Stable   Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	19.32	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuité has reaffirmed the long term rating of ‘**ACUITE BB**’ (read as **ACUITE double Bo**)n the Rs.19.32 Cr. bank facilities of Suprabha Industries Limited (SIL). The outlook remains ‘**Stable**’.

**Rationale for the rating**

The reaffirmation in rating is backed by its established track record and experienced management and steady scale of operations as reflected from a revenue of Rs. 88.01 Cr. in FY2024, a 12% year-on-year growth, despite a decline in EBITDA margin to 5.47% from 7.18% due to rising costs. SIL’s financial risk profile is marked by moderate gearing and debt protection metrics. Also, customer concentration risk remains, with 85% of revenues derived from two key customers. To enhance its revenue stability, SIL plans to diversify its customer base and continue investing in capital improvements, positioning itself to effectively navigate different customers. Additionally, the company is incurring capex towards procuring automated machinery for the last 2 years. However, these strengths are offset by the highly competitive and fragmented nature of industry and customer concentration risk.

**About the Company**

Incorporated in 1995, Suprabha Industries Limited (SIL) has its plant in Lucknow with registered office in Kolkata and is engaged in the manufacturing of automobile parts of commercial vehicle for Tata Motors Ltd’s plant in Lucknow. The company is headed by Mr. Devendra Kumar Mantri, Mrs. Tanuja Mantri and Mr. Shashankdhar Mantri.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuité has considered the standalone business and financial risk profile of SIL to arrive at the rating.

**Key Rating Drivers**

**Strengths**

**Established track record of operations and experienced management.**

Established in 1995 SIL has backed by experienced management of over two decades of industry knowledge. The company is headed by Mr. Devendra Kumar Mantri, Mrs. Tanuja Mantri and Mr. Shashankdhar Mantri. Acuité believes that the experienced promoters and the company’s long standing in the industry will continue to aid the company in maintaining healthy relations with its reputed customers and suppliers.

**Steady scale of operations albeit decline in margin**

The company's revenue increased to Rs 88.01 Cr. in FY2024 as against Rs 72.06 Cr. in FY2023, thereby registering an y-o-y growth of 12%. Further, the company has achieved revenues of around Rs.104.64 Cr. up to March 2025 (Prov.). The increase in revenue in FY2024 is because of higher realisations from load body for trucks and due to healthy demand from Tata Motors Ltd and Omax Autos Ltd. The Company had earlier started an e-rickshaw by brand of Texaa but have presently scrapped that product.

The EBITDA margin for the Company has declined to 5.47% in FY2024 as compared to 7.18% in FY2023 due to rise in material costs and increase in sub-contract costs for manufacturing load body for trucks that could not be fully passed on to customers. The Profit After Tax (PAT) margin also decreased significantly from 2.00% in FY2023 as compared to 0.40% in FY2024, likely impacted by increased depreciation for new capex and increase in interest costs.

The company's Return on Capital Employed (ROCE) also declined to 6.24% in FY2024, down from 10.02% in FY2023. Acuite believes that the company's scale of operations will remain on similar levels in the near to medium term.

### **Moderate working capital management**

The company has moderate working capital cycle as evident from gross current assets (GCA) of 111 days for FY2024 and 145 days for the FY2023. Debtor days stood at 42 days in FY2024, up from 60 days in FY2023. The Company provides a 30 days credit period to Omax Autos Ltd and gets its bills discounted for sales to Tata Motors Ltd. The inventory period stood at 62 days in FY2024 from 70 days in FY2023 due to nature of business where Company needs to maintain both raw materials and finished goods. Against this, the creditor days stood at 58 days in FY2024 from 72 days in FY2023. Acuite believes that the working capital operations of the company will remain at the similar levels over the near term.

### **Weaknesses**

#### **Highly competitive and fragmented nature of industry**

The company is operating in a highly competitive and fragmented industry with large number of organized and unorganized players present in the market which limits the bargaining power of the company. However, the risk is mitigated to an extent on account of established track record of operations, experienced management and long-standing relationship with Tata Motors Ltd.

#### **Customer Concentration Risk**

SIL generates almost 85% of its revenues from sale of auto Components to Tata Motors Ltd and Omax Autos Ltd. This induces customer concentration risk and limits the bargaining power against these players. In the absence of any fixed contractual agreement with them, the Company remains exposed to the risks related to the changes in procurement plans of its customers and might impact its revenue profile. However, the company intends to include more customers in its revenue profile to mitigate this risk over the medium term.

### **Rating Sensitivities**

- Growth in revenue along with improvement in profitability margins
- Elongation in working capital cycle
- Larger than expected debt funded capex plans

### **Liquidity Position**

#### **Adequate**

The company has adequate liquidity marked by net cash accruals of Rs. 4.20 Cr. in FY2024 as against debt obligation of Rs. 3.15 Cr. over the same period. The cash and bank balance stood at Rs. 1.89 Cr. for FY 2024. Further, the current ratio of the company stood at 1.17 times in FY2024. The working capital cycle of the company is marked by Gross Current Assets (GCA) of 111 days for FY2024 as compared to 145 days for the FY2023. The bank limit utilization of the company has been ~ 69.00 percent for the last six months ended in March 2025. The Company is also undertaking regular capex to update and automate its machineries to accommodate its future plans for expanding its customer profile. Acuite believes that the liquidity of the company is likely to remain adequate over the medium term backed by steady accruals, high dependence on short term borrowings and moderate current ratio albeit debt funded capex plans.

### **Outlook: Stable**

#### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	88.01	72.06
PAT	Rs. Cr.	0.35	1.44
PAT Margin	(%)	0.40	2.00
Total Debt/Tangible Net Worth	Times	1.28	1.20
PBDIT/Interest	Times	2.84	3.52

**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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
31 Jan 2024	Term Loan	Long Term	0.44	ACUITE BB   Stable (Upgraded from ACUITE BB-   Stable)
	Term Loan	Long Term	0.89	ACUITE BB   Stable (Upgraded from ACUITE BB-   Stable)
	Proposed Long Term Bank Facility	Long Term	0.29	ACUITE BB   Stable (Upgraded from ACUITE BB-   Stable)
	Term Loan	Long Term	1.15	ACUITE BB   Stable (Upgraded from ACUITE BB-   Stable)
	Term Loan	Long Term	6.80	ACUITE BB   Stable (Upgraded from ACUITE BB-   Stable)
	Cash Credit	Long Term	8.00	ACUITE BB   Stable (Upgraded from ACUITE BB-   Stable)
	Term Loan	Long Term	0.09	ACUITE BB   Stable (Upgraded from ACUITE BB-   Stable)
	Term Loan	Long Term	0.33	ACUITE BB   Stable (Upgraded from ACUITE BB-   Stable)
	Term Loan	Long Term	0.35	ACUITE BB   Stable (Upgraded from ACUITE BB-   Stable)
	Term Loan	Long Term	0.28	ACUITE BB   Stable (Upgraded from ACUITE BB-   Stable)
	Term Loan	Long Term	0.70	ACUITE BB   Stable (Upgraded from ACUITE BB-   Stable)
08 Nov 2022	Cash Credit	Long Term	8.00	ACUITE BB-   Stable (Reaffirmed)
	Term Loan	Long Term	11.32	ACUITE BB-   Stable (Reaffirmed)
26 Sep 2022	Bank Guarantee/Letter of Guarantee	Short Term	0.60	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	4.25	ACUITE BB- (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	14.47	ACUITE BB- (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
Small Industries Development Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.00	Simple	ACUITE BB   Stable   Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.29	Simple	ACUITE BB   Stable   Reaffirmed
Small Industries Development Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	10 Dec 2026	1.15	Simple	ACUITE BB   Stable   Reaffirmed
Small Industries Development Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	10 Jun 2030	6.80	Simple	ACUITE BB   Stable   Reaffirmed
Small Industries Development Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	10 Nov 2023	0.09	Simple	ACUITE BB   Stable   Reaffirmed
Small Industries Development Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	10 Sep 2023	0.33	Simple	ACUITE BB   Stable   Reaffirmed
Small Industries Development Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	10 Feb 2024	0.35	Simple	ACUITE BB   Stable   Reaffirmed
Small Industries Development Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	10 May 2024	0.28	Simple	ACUITE BB   Stable   Reaffirmed
Small Industries Development Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	10 Feb 2025	0.70	Simple	ACUITE BB   Stable   Reaffirmed
Small Industries Development Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	10 Dec 2025	0.44	Simple	ACUITE BB   Stable   Reaffirmed
Small Industries Development Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	10 Jul 2026	0.89	Simple	ACUITE BB   Stable   Reaffirmed

## Contacts

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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