



Press Release
SUBLEWEIGH ELECTRIC INDIA PRIVATE LIMITED
April 03, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	12.00	ACUITE BB- Stable Reaffirmed	-
Bank Loan Ratings	3.00	-	ACUITE A4 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	15.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of 'ACUITE BB-' (read as ACUITE double B minusa)nd reaffirmed the short-term rating of 'ACUITE A4' (read as ACUITE A four)on the Rs. 15.00 crore bank facilities of Subtleweigh Electric India Private Limited. The outlook remains 'Stable'.

Rationale for Rating

The rating reaffirmation continues to reflects the benefits derived by the experienced management and long track record of operation and steady scale of operations of the company as reflected by its revenue of Rs. 115.74 crore, reflecting a modest growth from Rs. 85.22 crore in FY2023. The increase in revenues was attributed to a healthy order book position and the timely execution of orders,albeit a decline in operating margin to 5.80% in FY2024, from 6.55% in FY2023. The company has an moderate financial risk profile,marked by increase in net worth, comfortable gearing and robust debt protection metrics. However, these strengths are offset by the company's intensive nature of working capital cycle as evident from Gross Current Assets (GCA) of 172 days as on March 31, 2024 as against 186 days as on March 31, 2023.

About the Company

Incorporated in the year of 2003 Subtleweigh Electric India Private Limited is a Kolkata based company and is engaged in providing industrial automation solutions. It has its registered office located at West Bengal. Mr. Krishna Baigpant and Mr. Mirza Jawed Baig are directors of the company.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has taken a standalone view of the business and financial risk profile of SEIPL to arrive at the rating.

Key Rating Drivers

Strengths

Experienced management and long track record of operation:

The company has a long track record of operations with management having over two decades of experience in

industrial automation industry. -This has helped the company to establish healthy relationships with its customers and suppliers. The company has a diversified geographical presence like West Bengal, Jharkhand, Odisha and others. Acuite believes that the Company is expected to benefit from the business acumen of its promoters over the medium term.

Steady scale of operations

In FY2024, the company recorded revenues of Rs. 115.74 crore, reflecting a modest growth from Rs. 85.22 crore in FY2023. The increase in revenues was attributed to a healthy order book position and the timely execution of orders. The company has an order book of Rs.15 Cr. to be completed by March 2025 and the remaining ~Rs. 60 Cr. will be executed by June 2025. The company receives majority of orders from pharmaceuticals, power sector, water projects from Government and others.

The operating margin decreased to 5.80% in FY2024, from 6.55% in FY2023, mainly due to rising material costs and increased competition, which led to narrower margin. The company's Profit After Tax (PAT) margin remained at 3.61% for both FY2024 and FY2023.

The company's Return on Capital Employed (ROCE) stood at 28.59% in FY2024, as against 26.45% in FY2023. Acuite believes that the company is likely to sustain its operational scale and profitability margins over the medium term.

Moderate financial risk profile

The company's financial risk profile is moderate marked by increase in net worth, comfortable gearing and robust debt protection metrics. The tangible net worth of the company has improved and stood at Rs. 12.47 Cr. as on March 31, FY2024 as compared to Rs.8.18 Cr. as on March 31, FY2023 due to accretion to reserves. The gearing of the company stood comfortable at 0.71 times in FY2024 as against 1.49 times in FY2023. However, the Total Outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 4.47 times as on FY2024 as against 5.44 times as on FY2023 due to high advances received from customers. The debt protection metrics of the company remain moderate marked by Interest coverage ratio (ICR) of 7.43 times and debt service coverage ratio (DSCR) of 3.16 times for FY2024. The net cash accruals to total debt (NCA/TD) stood at 0.58 times in FY2024. Acuite believes that the company's financial risk profile will remain moderate along with steady cash accruals.

Weaknesses

Working capital intensive nature of operations

The operations of the company have intensive nature of working capital cycle as evident from Gross Current Assets (GCA) of 179 days as on March 31, 2024 as against 190 days as on March 31, 2023. This is due to a lengthy approval process which takes ~2-3 months. Following this, the average execution for production process is approximately 3 to 4 months. The debtor days stood at 57 days in FY2024, up from 58 days in FY2023. The inventory days stood at 108 days in FY2024 from 91 days in FY2023. After the installation and operation of the plant, as well as the final execution, payment is often not released immediately. The credit terms vary depending on the design plan; typically, a 10% advance is provided through a bank guarantee, with the remaining payment made either before or after the supply. Against this, the creditor days stood at 88 days as on March 31, 2024 as against 100 days as on March 31, 2023. The company makes an advance payment of 30 percent. The credit terms in an average are ~45-60 days. Acuite believes that the working capital cycle is expected to remain at similar levels over the medium term.

Rating Sensitivities

- Movement in profitability margins while scaling up of operations.
- Working capital cycle
- Debt funded Capex plans

Liquidity Position Stretched

The company has stretched liquidity marked by net cash accruals of Rs. 5.06 Cr. in FY2024 as against Rs. 0.16 Cr. of debt obligation over the same period. Going forward, the net cash accruals are expected to be sufficient around Rs.7-8 Cr. to meet debt obligations of ~Rs. 1.00 Cr. in next two years. The cash and bank balances stood at Rs. 0.01 Cr. for FY 2024. Further, the current ratio of the company stood at 1.15 times in FY2024. The bank limit utilization for fund based is 79~ percent and non-fund based is 85 % over the last six months ended in February 2025. Acuite believes that the liquidity of the company is likely to remain stretched over the medium term backed by small but steady accruals against long term debt repayments, moderate utilization of short-term borrowings albeit low current ratio.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	115.74	85.22
PAT	Rs. Cr.	4.18	3.08
PAT Margin	(%)	3.61	3.61
Total Debt/Tangible Net Worth	Times	0.71	1.49
PBDIT/Interest	Times	7.43	5.70

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>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.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
04 Jan 2024	Bank Guarantee (BLR)	Short Term	2.00	ACUITE A4 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	1.00	ACUITE A4 (Reaffirmed)
	Secured Overdraft	Long Term	3.00	ACUITE BB- Stable (Upgraded from ACUITE B+)
	Working Capital Term Loan	Long Term	2.00	ACUITE BB- Stable (Upgraded from ACUITE B+)
	Cash Credit	Long Term	5.00	ACUITE BB- Stable (Assigned)
	Bills Discounting	Long Term	2.00	ACUITE BB- Stable (Upgraded from ACUITE B+)
09 May 2023	Bank Guarantee (BLR)	Short Term	2.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Bank Guarantee (BLR)	Short Term	1.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Secured Overdraft	Long Term	3.00	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Bills Discounting	Long Term	2.00	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Working Capital Term Loan	Long Term	2.00	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
08 Feb 2022	Bank Guarantee/Letter of Guarantee	Short Term	1.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Bank Guarantee/Letter of Guarantee	Short Term	2.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Working Capital Term Loan	Long Term	2.00	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Bills Discounting	Long Term	2.00	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Secured Overdraft	Long Term	3.00	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
HDFC Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE A4 Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	ACUITE A4 Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Bills Discounting	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.00	Simple	ACUITE BB- Stable Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.78	Simple	ACUITE BB- Stable Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	7.50	Simple	ACUITE BB- Stable Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	15 Aug 2025	0.72	Simple	ACUITE BB- Stable Reaffirmed

Contacts

Mohit Jain Senior Vice President-Rating Operations	Contact details exclusively for investors and lenders
Abhishek Singh Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

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