Press Release
SAMARTH FABLON PRIVATE LIMITED
February 02, 2026
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	119.48	ACUITE BBB | Stable | Reaffirmed	-
Bank Loan Ratings	10.00	-	ACUITE A3+ | Reaffirmed
Total Outstanding Quantum (Rs. Cr)	129.48	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed its long-term rating of '**ACUITE BBB' (read as ACUITE triple B)** and short-term rating of **'ACUITE A3+' (read as ACUITE A three plus)** on the Rs. 129.48 crore bank facilities of Samarth Fablon Private Limited (SFPL). The outlook is '**Stable**'.

Rationale for reaffirmation

The rating reaffirmation factors in the group's steady business risk profile with sustained profitability margins. The rating further reflects the group's established track record along with a diversified customer base which includes leading cement players, oil marketing company and various government agencies. It also takes into account the moderate financial risk profile along with the adequate liquidity position of the group. However, the rating remains constrained by the group's working capital-intensive operations and its vulnerability to fluctuations in raw material prices, which can exert pressure on profit margins.

About the Company

Samarth Fablon Private Limited (SFPL), incorporated in 2007. The company is engaged in manufacturing of HDPE/PP woven sacks and bags. It has a capacity of 24000 tons pa. The present directors are Mr. Dhiraj Agarwal, Mr. Bishnu Kumar Agarwala, Mr. Samarth Agarwal. The registered office of the company is in Kolkata.

About the Group

Shree Ram Electrocast Jharkhand Private Limited (SREJPL), incorporated in 2007 and has started its operations from March 2022. The company is engaged in manufacturing of HDPE/PP woven sacks and bags with an installed capacity of 24000 tons pa. The present directors of the company are Mr. Bishnu Kumar Agarwala, Mr. Pankaj Kumar Pandey, Mr. Samarth Agarwal. The registered office of the company is in Kolkata.

Samarth A D Protex Private Limited (SAPL), incorporated in 2013. The company is engaged in manufacturing of HDPE/PP woven sacks and bags with a capacity of 10500 tons pa. The present directors are Mr. Bishnu kumar Agarwala, Mr. Samarth Agarwal, Mr. Dhiraj Agarwal.

The registered office of the company is in Kolkata.

Unsupported Rating
Not Applicable

Analytical Approach

Extent of Consolidation
• Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuité has taken a consolidated view of SAPL, SFPL and SREJPL because of common management, similar line of business and financial linkages in the form of corporate guarantee extended by SFPL to SAPL. In addition, SFPL and SAPL have extended guarantee to SREJPL.

Key Rating Drivers

Strengths

Experienced management

The promoter of the Samarth group (SG) has a business experience of more than a decade in the plastic packaging business. The group has a strong customer base which includes leading cement companies and oil marketing company such as Ultratech Cement Ltd, Ambuja Cements Limited among others. Apart from supplying Woven sacks/PP bags to cement and OMC sectors, the group caters to government agencies on tender basis. The group has been associated with their key customers almost since inception. Acuité believes that the extensive experience of the promoter would continue to help in the business risk profile of the group going forward.

Steady scale of operations and profitability margins

The group's revenue remained at similar levels, standing at Rs. 377.70 crore in FY25 as against Rs. 363.97 crore in FY24 and Rs. 376.31 crore in FY23, supported by steady demand for its products. Further, the group reported revenue of approximately Rs. 348.25 crore till December 2025 and is expected to close FY26 at around Rs. 440 crore. The Group's EBITDA margin remained stable at 12.62 percent in FY25 compared with 12.01 percent in FY24, driven by steady realisations. Going forward, the EBITDA margin is expected to moderate marginally due to lower price realisations; however, it is likely to remain around 12 percent. The PAT margin improved to 1.63 percent in FY25 from 1.23 percent in FY24. Acuité believes that the ability of the group to improve consistently its scale of operations while maintaining the profitability margins will remain a key rating sensitivity factor.

Moderate financial risk profile

The group's financial risk profile remains moderate, characterised by a moderate net worth base, below average gearing, and average debt protection metrics. The tangible net worth declined to Rs. 128.20 crore as on March 31, 2025, from Rs. 143.10 crore as on March 31, 2024. This reduction was primarily due to the withdrawal of subordinated unsecured loans by the promoters, which were earlier treated as quasi equity. The group's gearing increased to 2.00 times as on March 31, 2025, compared with 1.79 times as on March 31, 2024. Total debt stood at Rs. 257.02 crore as on March 31, 2025, comprising long term borrowings of Rs. 83.61 crore and short term borrowings of Rs. 173.40 crore. This is broadly in line with the total debt of Rs. 256.14 crore as on March 31, 2024. The long term borrowings primarily pertain to the capacity expansion undertaken at SREJPL. The group's debt protection indicators remain adequate. The interest coverage ratio (ICR) stood at 2.05 times in FY25, compared with 2.35 times in FY24, while the Debt service coverage ratio (DSCR) improved marginally to 1.45 times in FY25 from 1.35 times in FY24. Acuité believes that the financial risk profile of the group will moderate over the medium term due to steady accruals and no debt funded capex.

Weaknesses

Working Capital intensive operations

The operations of SG remain working capital intensive, as reflected in its Gross Current Assets

(GCA) of 300 days as on March 31, 2025, compared with 309 days as on March 31, 2024. Inventory days increased to 238 days as on March 31, 2025, from 191 days as on March 31, 2024. The elevated inventory levels are attributable to the group stocking a wide range of PP bags used by various cement manufacturers, each with different branding and specifications, to ensure adequate rolling stock and smooth execution of orders. Debtor days improved significantly to 49 days as on March 31, 2025, from 97 days as on March 31, 2024. Creditors days also moderated to 76 days as on March 31, 2025, from 93 days in the previous year. The working capital requirements are primarily funded through bank lines. The group's average fund based utilisation stood at approximately 84 percent, while the non fund based utilisation averaged around 49 percent for the six months ended November 2025. Acuité believes, the operations of the company would continue to remain intensive due to high inventories.

Susceptibility of margins to raw material price fluctuation

As SG is engaged in the manufacturing of PP bags, the major raw materials required to manufacture such products are polypropylene granules, which is a derivative of crude oil, and the prices of crude oil are directly affected by various macroeconomic factors. Similarly, the prices of such raw materials are also volatile in nature, and such fluctuations in the major raw material prices may impact the operating profit margin of the company. However, such risks are mitigated to some extent due to raw material escalation clause included in the contracts by the group.

Rating Sensitivities

Substantial improvement in the revenues of the group while maintaining the profitability margins.
Further elongation in the working capital cycle.
Changes in financial risk profile

Liquidity Position

Adequate

The group's liquidity profile is adequate marked by adequate net cash accruals against maturing debt obligations. The group generated cash accruals of Rs. 23.35 crore in FY25 as against debt obligations of Rs.8.52 crore for the same period. The cash accruals of the company are estimated to remain in the range of around Rs.28-30 crore during FY2026-27 against repayment obligations ranging from Rs. 13-14 crore for the same period. The group maintains cash and bank balances of Rs.0.28 crore as on March 31, 2025. The current ratio stood at 1.23 times as on March 31, 2025. The group's average fund based utilisation stood at approximately 84 percent, while the non fund based utilisation averaged around 49 percent for the six months ended November 2025. Acuité believes liquidity profile will remain adequate in medium term backed by steady net cash accruals.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	377.70	363.97
PAT	Rs. Cr.	6.16	4.46
PAT Margin	(%)	1.63	1.23
Total Debt/Tangible Net Worth	Times	2.00	1.79
PBDIT/Interest	Times	2.05	2.35

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

Not Applicable

Any Other Information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: https://www.acuite.in/view-rating-criteria-53.htm
- Consolidation Of Companies: https://www.acuite.in/view-rating-criteria-60.htm
- Default Recognition: https://www.acuite.in/view-rating-criteria-52.htm
- Manufacturing Entities: https://www.acuite.in/view-rating-criteria-59.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
07 Nov 2024	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A3+ (Reaffirmed)
	Cash Credit	Long Term	90.00	ACUITE BBB | Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	29.48	ACUITE BBB | Stable (Reaffirmed)
04 Mar 2024	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A3+ (Reaffirmed)
	Term Loan	Long Term	11.06	ACUITE BBB | Stable (Reaffirmed)
	Cash Credit	Long Term	70.00	ACUITE BBB | Stable (Reaffirmed)
	Term Loan	Long Term	8.66	ACUITE BBB | Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	29.76	ACUITE BBB | Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
CENTRAL BANK OF INDIA	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A3+ | Reaffirmed
CENTRAL BANK OF INDIA	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	90.00	Simple	ACUITE BBB | 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.	29.48	Simple	ACUITE BBB | Stable | Reaffirmed

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr. No	Name of the companies
1	Samarth A D Protex Private Limited
2	Samarth Fablon Private Limited
3	Shree Ram Electrocast Jharkhand Private Limited

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About Acuité Ratings & Research
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