

## Suba Plastics Private Limited

April 02, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	23.50	CARE BB; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB+; Stable and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	0.50	CARE A4; ISSUER NOT COOPERATING*	Downgraded from CARE A4+ and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

\*Issuer did not cooperate; based on best available information.

### Rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has been seeking information from Suba Plastics Private Limited (SPPL) to monitor the ratings vide e-mail communications dated December 26, 2025, March 11, 2025, among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings.

In line with the extant SEBI guidelines, CARE Ratings has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. The rating on SPPL's bank facilities will now be denoted as **CARE BB; Stable/CARE A4; ISSUER NOT COOPERATING\***.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.**

The ratings have been revised on account of non-availability of requisite information due to non-cooperation by SPPL with CARE's efforts to undertake a review of the outstanding ratings as CARE views information availability risk as key factor in its assessment of credit risk profile.

The ratings assigned to bank facilities of SPPL continues to derive strength from the vast experience of the promoters in the plastic injection molding industry, satisfactory financial risk profile, reputed clientele base, and diversified business profile. The rating, however, continues to be constrained by relatively small scale of operations, capital intensive nature of operations and presence in a highly competitive and fragmented industry.

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of key rating drivers:

At the time of last rating on March 14, 2024, the following were the rating strengths and weaknesses (Updated for the information available from Registrar of Companies).

### Key weaknesses

#### Susceptibility of operating margin to raw material price volatility:

SPPL purchases raw material from suppliers such as DuPont, DSM and Sabic which are susceptible to volatility, which in turn can affect the profitability margins. Raw material composition consists of copper, steel and different grade plastic. Although, the company passes on the price increase to its customers, however it is not immediately able to do it which in turn affects the profitability margin of the company.

#### Cyclical nature of Auto Industry:

A significant proportion of SPPL's revenue is linked to its association with auto manufacturers. The Indian auto component industry is ancillary to the automobile industry. Demand swings in any of the auto segments (Commercial vehicles, cars, tractors, two and

<sup>1</sup>Complete definition of ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Limited's publications.

three-wheelers) have an impact on the auto ancillary demand. The company has been diversifying its revenue to other sectors like energy, jewelry and healthcare which shall provide cushion in times of slowdown in any one sector.

### Key strengths

#### Experienced & Resourceful promoters with satisfactory track record of operations:

Mr. Venkataraman Baskaran, MD (B. Sc) has more than three decades of experience in related line of business. He looks after the overall functions in the company. He is ably assisted by his other directors Mrs. Geetha Baskaran (postgraduate), having about two decades of experience in this industry, and Mr. Venkataraman Sudhakaran (postgraduate) who has more than two decades of experience in the relevant line of business.

#### Income growth:

The operating income of the company witnessed a CAGR of more than 25% during the last four years backed by continuous order flow from its existing clientele. During FY24, the operating income increased to ₹81.19 crore from ₹71.88 crore in FY23 at y-o-y growth of 13% backed by improved order inflow from the automotive sector. The company has added new customers from the Electric Vehicle (EV) segment over the last two years which is expected to further boost the revenue in the medium term.

#### Moderate capital structure:

The capital structure of the company stood improved marked by overall gearing of 1.41x as on March 31, 2024 (FY22: 1.92x) with continuous accretions in net worth.

#### Reputed clientele base and diversified product portfolio:

SPPL caters to the needs of various industries such as automobile industries, electric sector, FMCG, jewellery and aerospace industries. The company's current portfolio of clients includes companies such as TVS Motors, Lucas TVS, Emerald Jewel Industry India Ltd., P & G and TATA Motors among others.

**Assumptions/Covenants:** Not applicable

**Environment, social, and governance (ESG) risks:** Not applicable

### Applicable criteria

[Definition of Default](#)

[Policy in respect of non-cooperation by issuers](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Manufacturing Companies](#)

### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Industrial Products	Plastic Products - Industrial

Coimbatore based SPPL, incorporated on July 13, 2005, is promoted by V. Baskaran, Geetha Baskaran (Spouse of V. Baskaran) and V. Sudhakaran (Brother of V. Baskaran). Initially, the company was established as a proprietorship concern in the name of 'Suba Plastics' in 1983. SPPL is involved in manufacturing of plastic injection moulded components which finds application in automotive, FMCG, electric, energy, jewellery and textile.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	52.18	71.88	81.19
PBILDT	6.92	10.97	12.41
PAT	0.99	4.09	4.22
Overall gearing (times)	2.91	1.92	1.41
Interest coverage (times)	2.68	4.76	5.24

A: Audited; Note: these are latest available financial results

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	8.00	CARE BB; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	December 2026	15.50	CARE BB; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	0.50	CARE A4; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information.

**Annexure-2: Rating history for last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Cash Credit	LT	8.00	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (14-Mar-24)	1)CARE BB; Stable (27-Feb-23)	1)CARE C; ISSUER NOT COOPERATING* (12-Jan-22)
2	Fund-based - LT-Term Loan	LT	15.50	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (14-Mar-24)	1)CARE BB; Stable (27-Feb-23)	-
3	Non-fund-based - ST-Bank Guarantee	ST	0.50	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4+ (14-Mar-24)	1)CARE A4 (27-Feb-23)	-

\*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of rated instruments:** CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for clarifications.

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### About us:

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### Disclaimer:

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