

## Samudra Electronic System Private Limited

June 30, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	13.51	CARE B; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Downgraded from CARE B+; Stable
Short Term Bank Facilities	9.30	CARE A4; ISSUER NOT COOPERATING*	Rating continues to remain under 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 (CareEdge Ratings) had, vide its press release dated April 05, 2024, placed the rating(s) of Samudra Electronic System Private Limited (SESPL) under the 'issuer non-cooperating' category as SESPL had failed to pay the surveillance fees for the rating exercise agreed to in its Rating Agreement. SESPL continues to be non-cooperative despite repeated requests for submission of information through e-mails dated February 19, 2025, March 01, 2025, and March 11, 2025 among others. In line with the extant Securities and Exchange Board of India (SEBI) guidelines, CareEdge Ratings has reviewed the rating based on the best available information, which however, in CareEdge Ratings' opinion, is not sufficient to arrive at a fair rating.

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

Ratings have been revised on account of non-availability of requisite information. Ratings take into account small size and scale of operation, extended working capital cycle, susceptibility of profitability to input price volatility and forex fluctuation risk and stretched liquidity position. However, ratings derive strength from experienced promoters with proven track record of execution and satisfactory capital structure.

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of the key rating drivers:

At the time of last rating on April 05, 2024, the following were the rating strengths and weaknesses (Updated basis the FY24 audit report available from MCA):

### Key weaknesses

#### Small size and scale of operations

The financial performance of the company was impacted in FY21 due to operational disruptions led by COVID-19 pandemic. However, the business picked-up from H2FY22. The reported revenue reaches to pre-COVID-19 levels in FY24. The operating margin of the company grew to ~37%. However, the size and scale continue to remain small as represented with revenue below ₹50 crore during last three years and small net worth base of ₹35 crore as on March 31, 2024. The small size and scale limit the financial flexibility.

#### Extended operating cycle impacting the working capital position

Operating cycle witnessed significant extension during FY21 on account of funds blocked in inventory as well as collections. The same continued as on March 31, 2024, with almost similar outstanding inventory levels. With decrease in the revenue during

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

FY24, the operating cycle deteriorated to 458 days. The pending realisation would be recovered in instalments as per contractual terms blocking the working capital.

**Susceptibility of profitability to input price volatility and forex fluctuation**

The raw material cost forms a major portion of the total cost of sales (~40% during last three years). The major inputs required are semiconductors and electrical components. The profit is susceptible to volatility in both availability and prices of inputs as has been witnessed with short supply/rising prices of semi-conductors. To protect its profit margins, there is no price escalation clauses in contracts. However, the company build-in the expected escalation at the time of bidding. The profitability is also exposed to fluctuations in foreign currency, as the company imports its maximum materials from overseas markets.

**Key strengths****Experienced promoters with proven track record of execution**

The promoter of SESPL has over 34 years of experience in power electronics and engineering and has over 16 years of experience in design, manufacture, supply, execution of high efficacy LED Street Light Project on ESCO Basis under energy performance contracts. The company has been promoted by Prafulla Thote, who has specialisation in Power Electronics. He initially forayed into design and manufacturing AC/DC power supplies, frequency convertors, UPS systems, and stabilizers. In 2005, he started research work on conversion of high-power LEDs into various lighting fixtures. The promoters of SESPL (Prafulla Thote and Yamini Thote) have filed patents on the unique process of converting LEDs into usable lighting fixtures in Patent Cooperation Treaty (PCT) and non PCT countries. The design patent has been registered for Samudra LED streetlights and are also Bureau of Indian Standards (BIS) Certified. The company has successfully completed street lighting project for Municipal Authorities and has delivered highest level of energy savings.

**Diversified revenue**

SESPPL undertakes supply and execution projects as an ESCO contractor with revenue accruing to the company compensating the supplies (through share in energy saving) and ensuring a regular revenue stream by way of operations and maintenance (O&M) contract. During FY24, the company derived ~36% of the revenue from sale of services (20% in FY23) which comprises the fixed O&M revenue received. The company is presently deriving monthly revenue from two completed projects. The fixed O&M component results in high operating margin.

**Satisfactory capital structure**

Capital structure continues to remain comfortable as the overall gearing has improved from 0.66 as on March 31, 2023 to 0.43x as on March 31, 2024 on account of term loan payments by the company, which was availed to incur expansion expenditure towards building and plant & machinery.

**Liquidity: Stretched**

The liquidity position is stretched characterised by moderate cushion in accruals (₹9.36 crore in FY24) against repayment obligation (₹1.77 crore in FY24) and elongated working capital cycle with significant funds blocked in debtors. The company has Nil cash and bank balance as on March 31, 2024.

**Assumptions/Covenants:** Not applicable

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

## Applicable criteria

[Definition of Default](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

## About the company and industry

### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital goods	Electrical equipment	Other electrical equipment

Incorporated in the year 1987, SESPL is an ISO 9001:2008 & ISO 14001:2015 Certified Company. The company is based at Pune and has its manufacturing facility at MIDC Baramati, Pune District. SESPL designs and manufactures LED fixtures which are used in domestic lighting, street lighting, industrial lighting, shops & showrooms and Ports. The company undertakes street lighting work orders for mostly Municipal Corporations with supply & installation of LED lights enabling energy saving. The company is registered with Bureau of Energy Efficiency (BEE) as Energy Saving Company (ESCO) since FY11.

### Brief Financials:

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	35.01	26.74
PBILDT	9.73	9.91
PAT	6.59	8.27
Overall gearing (times)	0.66	0.43
Interest coverage (times)	5.62	4.32

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 B; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	31-05-2026	5.51	CARE B; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-ILC/FLC		-	-	-	0.30	CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - ST-ILC/FLC		-	-	-	9.00	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 2025-2026	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
1	Non-fund-based - ST-ILC/FLC	ST	0.30	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (05-Apr-24)	1)CARE A4; ISSUER NOT COOPERATING* (04-Apr-23)	-
2	Non-fund-based - ST-ILC/FLC	ST	9.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (05-Apr-24)	1)CARE A4; ISSUER NOT COOPERATING* (04-Apr-23)	-
3	Fund-based - LT-Cash Credit	LT	8.00	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (05-Apr-24)	1)CARE B+; Stable; ISSUER NOT COOPERATING* (04-Apr-23)	-
4	Fund-based - LT-Term Loan	LT	5.51	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (05-Apr-24)	1)CARE B+; Stable; ISSUER NOT COOPERATING* (04-Apr-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-ILC/FLC	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 for clarifications.

## Contact us

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