



Samrat Pharmachem Limited

Manufacturers & Exporters of Pharmaceutical Chemicals

Regd. Office & Factory

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Web: www.samratpharmachem.com

CIN: L24230GJ1992PLC017820

Corporate Office

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December 2, 2025

To,
Department of Corporate Services,
BSE Limited
P J Towers,
Dalal Street,
Mumbai - 400 001.

Scrip: 530125

Dear Sir,

Sub: Credit Rating – ISIN: INE103E01016

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, we wish to inform you Crisil Limited has downgraded its rating on the bank facilities to 'Crisil BB+/Negative/Crisil A4+' from 'Crisil BBB-/Stable/Crisil A3'.

Annexure - Details of Instrument(s)

Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Crore)	Complexity Levels	Rating Outstanding with Outlook
Cash Credit	NA	NA	NA	28.00	NA	Crisil BB+/Negative
Foreign Exchange Forward	NA	NA	NA	2.00	NA	Crisil A4+

The above information will also be available on the website of the Company at www.samratpharmachem.com

Kindly take the same on record and acknowledge.

Thanking you.

Yours faithfully,
For Samrat Pharmachem Limited

Nishant Kankaria
Company Secretary & Compliance Officer

Samrat Pharmachem Limited

Ratings downgraded to 'Crisil BB+ / Crisil A4+ '; outlook revised to 'Negative'

Rating Action

Total Bank Loan Facilities Rated	Rs.30 Crore
Long Term Rating	Crisil BB+/Negative (Downgraded from 'Crisil BBB- / Stable' and outlook revised to 'Negative')
Short Term Rating	Crisil A4+ (Downgraded from 'Crisil A3')

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has downgraded its ratings on the bank facilities of Samrat Pharmachem Ltd (SPL) to '**Crisil BB+/Stable/Crisil A4+**' from '**Crisil BBB-/Stable/Crisil A3**' .

The rating downgrade reflects the deterioration in the company's business risk profile, led by decline in the operating margin to negative 0.14% in H1 FY2026. Although The capital structure was strong owing to low reliance on external debt, yielding gearing and total outside liabilities to adjusted networth ratio of 0.14 time and 0.69 time, respectively, with networth of Rs 71.8 crore as on March 31, 2025.

The ratings continue to reflect the established market position of SPL and extensive experience of the promoters in the iodine manufacturing industry and the company's healthy financial risk profile. These strengths are partially offset by susceptibility to raw material prices and foreign exchange (forex) rates and large working capital requirement.

Analytical Approach: Crisil Ratings has evaluated the standalone business and financial risk profiles of SPL.

Key Rating Drivers - Strengths

Established market position and extensive experience of the promoters: The company has been manufacturing iodine derivatives for three decades. This has helped the promoters develop understanding of the market dynamics and establish healthy relationships with suppliers and customers. Over the years, SPL has increased its product range to various industrial segments such as pharmaceuticals, fast-moving consumer goods (FMCG), animal feed and agrochemicals. This has led to the improvement in revenue profile with average growth of 28% over the last five fiscals to Rs 281.64 crore in fiscal 2024 from Rs 92.7 crore in fiscal 2018. The company achieved revenue of Rs 285.86 crore in fiscal 2025

Healthy financial risk profile: The capital structure was strong owing to low reliance on external debt, yielding gearing and total outside liabilities to adjusted networth ratio of 0.14 time and 0.69 time, respectively, with networth of Rs 71.8 crore as on March 31, 2025. Debt protection metrics were adequate as reflected in interest coverage and net cash accrual to total debt ratios of 5.51 times and 0.30 time, respectively, in fiscal 2025. The financial risk profile will remain comfortable over the medium term supported by steady accretion to reserve and nil debt-funded capital expenditure (capex) planned.

Key Rating Drivers - Weaknesses

Susceptibility to raw material prices and forex rates: Clientele comprises large, established players leading to limited pricing power for SPL. Furthermore, limited complexity of operations constrains profitability. The price of the major raw material, iodine, is volatile and depends on global demand and supply. The operating margin remained at 3-7% over the three fiscals through 2023 and stood at 0.57% in the nine months of fiscal 2024. The rating downgrade reflects the deterioration in the company's business risk profile, led by decline in the operating margin to negative 0.14% in H1 FY2026.

Since the majority of procurement comes from the international market, sharp fluctuation in forex rates affects procurement cost and accrual. This exposes the operating margin to fluctuation in forex rates.

Modest working capital cycle: Gross current assets (GCAs) were at 117-136 days over the three fiscals through 2025. Modest working capital management is reflected in GCAs of 136 days with inventory and receivables of 50 and 72 days, respectively, as on March 31, 2025. It is required to extend the long credit period in line with the industry standards as the customers are small and medium-sized players who require credit. Furthermore, to meet its business requirement, the company holds large work in progress inventory.

Liquidity: Adequate

Bank limit utilisation was low at 18% on average for the 12 months ended December 31, 2024. Annual cash accrual is expected over Rs 10 crore against nil term debt obligation over the medium term and will cushion liquidity. The current ratio was healthy at 1.78 times as on March 31, 2024. Low gearing and moderate networth support financial flexibility, which will help to withstand adverse conditions or downturn in the business.

Outlook Negative

Crisil Ratings believes SPL will continue to benefit from the extensive experience of its promoters and established relationships with clients.

Rating sensitivity factors

Upward factors

- Sustained increase in revenue by 15-20% with operating margin reaching 7-8% on sustained basis
- Improvement in the working capital cycle

Downward factors

- Decline in net cash accrual on continuous basis of fall in revenue or operating profit
- Large, debt-funded capex, weakening the capital structure
- Further stretch in the working capital cycle, weakening liquidity and financial risk profile

About the Company

SPL was incorporated in June 1992 at Ankleshwar in Gujarat. The company is promoted by Lalit Mehta and Rajesh Mehta. It manufactures iodine compounds used in pharmaceuticals, FMCG, animal feed,

chemicals and agrochemicals. The company became a public limited company in 1995 and is listed on the Bombay Stock Exchange.

Key Financial Indicators

As on / for the period ended March 31		2025	2024
Operating income	Rs crore	285.86	281.64
Reported profit after tax (PAT)	Rs crore	7.11	2.24
PAT margin	%	2.49	0.77
Adjusted debt/adjusted networkth	Times	0.14	0.13
Interest coverage	Times	15.6	3.70

Status of non cooperation with previous CRA: Not applicable

Any other information: Not applicable

Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Cash Credit	NA	NA	NA	28.00	NA	Crisil BB+/Negative
NA	Foreign Exchange Forward	NA	NA	NA	2.00	NA	Crisil A4+

Annexure - Rating History for last 3 Years

		Current		2025 (History)		2024		2023		2022		Start of 2022
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	ST/LT	30.0	Crisil BB+/Negative / Crisil A4+	26-05-25	Crisil A3 / Crisil BBB-/Stable	27-02-24	Crisil A4+ / Crisil BB+/Stable		--	30-12-22	Crisil A4+ / Crisil BB+ /Stable(Issuer Not Cooperating)*	Crisil BB+/Sta

			--		--	11-01-24	Withdrawn (Issuer Not Cooperating)*		--	26-04-22	Crisil A3 / Crisil BBB-/Stable	--
			--		--		--		--	11-03-22	Withdrawn (Issuer Not Cooperating)*	--
			--		--		--		--	31-01-22	Crisil BB+ /Stable(Issuer Not Cooperating)*	--
Non-Fund Based Facilities	ST		--		--	11-01-24	Withdrawn (Issuer Not Cooperating)*		--	30-12-22	Crisil A4+ (Issuer Not Cooperating)*	--
			--		--		--		--	26-04-22	Crisil A3	--

All amounts are in Rs.Cr.

Annexure – Details of Bank Lenders/Facilities

Facility	Amount (Rs. Crore)	Name of Lender	Rating
Cash Credit	28	ICICI Bank Limited	Crisil BB+/Negative
Foreign Exchange Forward	2	ICICI Bank Limited	Crisil A4+

For further information contact:

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