

June 23, 2025

Sam Turbo Industry Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term – Fund based – Cash Credit	3.00	3.00	[ICRA]BBB (Stable); reaffirmed
Long term – Fund based – Term Loan	0.90	0.00	-
Short-term – Fund based – Export Packing Credit	4.00	3.00	[ICRA]A3+; reaffirmed
Short term – Non-fund based – Bank Guarantee	8.00	8.00	[ICRA]A3+; reaffirmed
Short term – Non-fund based – Others	13.00	0.00	-
Short term – Unallocated	1.10	1.00	[ICRA]A3+; reaffirmed
Total	30.00	15.00	

*Instrument details are provided in Annexure-I

Rationale

The ratings reaffirmation of Sam Turbo Industry Private Limited (STIPL) continues to factor in the established track record of the company and the extensive experience of the promoters in the pump industry. The ratings continue to derive comfort from the company's established brand presence on the back of a diversified product portfolio, catering to various industries viz. power, paper/pulp, chemical, mining, etc., a wide distribution network and a reputed clientele (NTPC Limited, Grasim Industries Limited, Vedanta Limited, among others). STIPL also benefits from its integrated operations, which include its steel foundry and captive power generation. From FY2025 (provisional), the company has started recognising revenue net-off dealer margin, resulting in a 9.0% drop in the company's top line. The same also led to a marginal growth in the OPM to 4.2% in FY2025 from 3.8% in FY2024. In FY2026, ICRA expects the company's revenue to grow by more than 20%, driven by the expected ramp-up in operations of its wholly-owned subsidiary, Samsen Papers Private Limited (SPPL), which manufactures packaging paper of low/moderate GSM with a monthly capacity of 1,200 MT, which was commissioned in September 2024 (it was initially expected to be commissioned in June 2024). The project in SPPL was funded by a mix of term loan and interest-free unsecured loans from STIPL.

The ratings are, however, constrained by the modest scale of current operations and the company's thin and volatile margins over the past years. ICRA also notes the fragmented industry structure with intense competition from the organised and unorganised players in the industrial pumps business, which restricts the company from commanding any premium, limiting margin expansion. Additionally, the company's profitability is exposed to the volatility in raw material prices as it is not able to pass on the price hike to its customers on a timely basis. Moreover, the higher share of revenue from Flue Gas Desulfurisation (FGD) projects since FY2024 also had a bearing on the company's OPM as the margin in this business is comparatively lower. The company's ability to profitably scale up operations of its recently commissioned paper unit in SPPL would remain a key monitorable.

The Stable outlook on the long-term rating reflects ICRA's opinion that the company is likely to maintain its business positioning while sustaining the profitability level. Further, the company's comfortable liquidity on the back of large free cash balances would continue to support its financial risk profile.

Key rating drivers and their description

Credit strengths

Established track record of the company and extensive experience of promoters in the business – STIPL is involved in designing, manufacturing, supplying, exporting and servicing pumps in India since 1971. It has an established track record of manufacturing various industrial pumps across industries. The company has been able to establish itself as a reputed player in the industry with a diversified product profile (conforming to various domestic and international specifications), its quality certifications and dealer/distributor network. The company caters to various end-user industries including power, paper/ pulp, chemical, mining, etc., mitigating the risks of demand slowdown in any particular sector.

Integrated nature of operations – Apart from the pump manufacturing facility, the company has a captive steel foundry, which manufactures castings required for pumps. Most of the items in a pump are steel castings of various shapes and designs. The capacity of the foundry is 5,400 MTPA, which is adequate to support the company's current pump manufacturing facility. Additionally, STIPL is equipped with necessary machines and techniques required to check the metallurgical specifications to ensure precise chemical composition. Further, the company owns windmills, which meet more than 90% of its power requirement. Overall, an integrated nature of operations supports the company's business and financial risk profiles, given the high volatility in raw material prices and demand.

Established brand and distribution network along with a strong customer base – STIPL has an established network of dealers/distributors, which supports its brand, Sam Pumps. The company's clientele includes the likes of NTPC Limited, Grasim Industries Limited, Hindalco Industries Limited, Vedanta Limited, which signifies its superior product quality.

Comfortable capital structure and debt coverage metrics – While the company's operating profitability has remained volatile in the past years, it has been generating stable cash accruals, supported by the non-operating income. The company maintains sizeable free cash balances in fixed deposits and large investments in various financial products, which earn significant income/gains for the company. Though the company is exposed to market risks associated with such financial investments, stable cash accruals have supported the company's comfortable capital structure and debt coverage metrics, with limited debt. The capital structure of the company remained comfortable with a gearing of 0.1 times as on March 31, 2025. Further, the debt coverage metrics remained healthy, as reflected by an interest coverage of 4.4 times and DSCR of 2.1 times in FY2025.

Credit challenges

Modest scale of operations along with volatile and thin profit margins – STIPL's scale of business remains relatively small with the pumps business accounting for around Rs. 97.1 crore in FY2024 and Rs. 87.9 crore in FY2025 against an operating income (OI) of Rs. 169.0 crore and Rs. 148.0 crore in FY2024 and FY2025, respectively. The balance constitutes income from the sale of spare parts required in repair and maintenance of pumps. A major part of the company's business comes from domestic sales with exports accounting for less than 10%. From FY2025 (provisional), the company has started recognising revenue net-off dealer margin, resulting in a 9% drop in the company's top line. The same has also led to a marginal growth in the OPM to 4.18% in FY2025 from 3.80% in FY2024. Nevertheless, the profitability of the company remains thin and volatile, as witnessed in the past years. Additionally, a higher share of revenue from FGD projects since FY2024 also had a bearing on the company's OPM as the margin in this business is comparatively lower.

Susceptible to volatility in raw material prices and inability to timely pass on the price increase – The key raw materials of the company are metal scrap, pig iron, steel rods, among others. As the key input material remains commoditised in nature, STIPL's profitability remains susceptible to volatility in raw material prices as it is not able to timely pass on the price hike to its customers.

Intense competition and fragmented industry structure – Intense competition from organised and unorganised players in the industrial pumps industry bars the company from commanding premium pricing, limiting its margins.

Liquidity position: Adequate

The liquidity position of the company is adequate with stable cash accruals from operations and large free cash balances and investments of around Rs. 60.0 crore as on March 31, 2025. Moreover, the company has Rs. 6.0-crore working capital facilities, the average utilisation of which remained at around 18% during the 12-month period ended in March 2025. ICRA notes that the large free cash balances are partially on account of stretched creditors. Any moderation in the same could impact the company's liquidity to an extent in the future. With limited debt repayment obligations and no material debt-funded capex planned in the near term, the liquidity of the company is likely to remain adequate.

Rating sensitivities

Positive factors – The ratings could be upgraded if the company registers a significant increase in its scale and profitability on a sustained basis while maintaining comfortable liquidity and debt coverage metrics.

Negative factors – The ratings could be downgraded if there is a material decline in the company's revenue and profitability on a sustained basis. Any major unanticipated debt-funded capex or a stretch in the working capital cycle, materially weakening the capital structure and liquidity, could also result in ratings downgrade. Specific credit metrics that could result in ratings downgrade include total debt/OPBDITA of more than 2.5 times on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	Consolidation: For arriving at the ratings, ICRA has consolidated the financials of STIPL and its two subsidiaries (as mentioned in Annexure-2).

About the company

Sam Turbo Industry Private Limited (STIPL), is involved in designing, manufacturing, supplying, exporting and servicing pumps for essential industries in India since 1971. The company's product range includes slurry pumps, chemical pumps, process pumps, split case pumps, mixed flow pumps, medium consistency pumps, multi-stage pumps, API process pumps, centrifugal pumps, end suction pumps, axial flow pumps, water pumps, vortex pumps, vertical pumps, sump pumps and many more. The company has a wide range of pumps that can handle all kinds of liquids in these industries.

Apart from the pump manufacturing facility, the company has a captive steel foundry, which manufactures castings required in pumps. Around 90% of the items in a pump are steel castings of various shapes and designs. The capacity of the foundry is 450 MT/month. The company is equipped with the necessary machines and techniques required to check the metallurgical specifications to ensure precise chemical composition.

Subsidiaries:

Samsen Papers Private Limited: The company has commenced operations since September 2024. It manufactures low GSM packaging paper with an installed capacity of 1,200 MT/month.

Samsen Special Castings Private Limited: The company has a fettling shop located in the premises of STIPL and was incorporated as a captive unit for STIPL's foundry unit. However, the unit is not yet operational.

Key financial indicators (audited)

Sam Turbo Industry Private Limited	Standalone		Consolidated	
	FY2024	FY2025*	FY2024	FY2025*
Operating income	169.0	148.0	169.0	152.9
PAT	8.5	9.1	8.4	-
OPBDITA/OI	3.8%	5.2%	3.8%	-
PAT/OI	5.0%	6.1%	5.0%	-
Total outside liabilities/Tangible net worth (times)	0.8	-	0.8	-
Total Debt/OPBDITA (times)	0.9	-	1.7	-
Interest coverage (times)	7.3	-	7.1	-

PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. crore; * Provisional

Status of non-cooperation with previous CRA:

CRA	Status	Date of Release
INDIA Ratings	IND BBB/Stable/IND A3+; ISSUER NOT COOPERATING and Withdrawn Ratings migrated to Issuer Non-Cooperating category and simultaneously withdrawn	July 17, 2024

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2026)		Chronology of rating history for the past 3 years		
		Amount rated (Rs. crore)	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023
			Jun 23, 2025	Apr 05, 2024	-	Mar 29, 2023
1 Fund based – Cash Credit	Long-term	3.00	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	-	[ICRA]BBB (Stable)
2 Fund based – Term loan	Long-term	-	-	[ICRA]BBB (Stable)	-	[ICRA]BBB (Stable)
3 Fund based – Export Packing Credit	Short-term	3.00	[ICRA]A3+	[ICRA]A3+	-	-
4 Non-Fund based – Bank Guarantee	Short-term	8.00	[ICRA]A3+	[ICRA]A3+	-	[ICRA]A3+
5 Non-Fund based – Others	Short-term	-	-	[ICRA]A3+	-	[ICRA]A3+
6 Unallocated	Short-term	1.00	[ICRA]A3+	[ICRA]A3+	-	[ICRA]A3+

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Fund-based – Cash Credit	Simple
Short-term – Fund based – Export Packing Credit	Very simple
Short-term – Non-fund-based – Bank Guarantee	Very simple
Short-term – Unallocated	Not applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund based – Cash Credit	NA	9.25%	NA	3.00	[ICRA]BBB (Stable)
NA	Fund based – Export Packing Credit	NA	6.00%	NA	3.00	[ICRA]A3+
NA	Non-Fund based – Bank Guarantee	NA	NA	NA	8.00	[ICRA]A3+
NA	Unallocated	NA	NA	NA	1.00	[ICRA]A3+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Instrument Name	Ownership	Current Rating and Outlook
Samsen Papers Private Limited	100.00%	Full Consolidation
Samsen Special Castings Private Limited	100.00%	Full Consolidation

ANALYST CONTACTS

Jitin Makkar

+91 124 4545 368

jitinm@icraindia.com

Kinjal Shah

+91 22 6114 3442

kinjal.shah@icraindia.com

Sujoy Saha

+91 33 6521 6805

sujoy.saha@icraindia.com

Aditya Lade

+91 22 6114 3451

aditya.lade@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



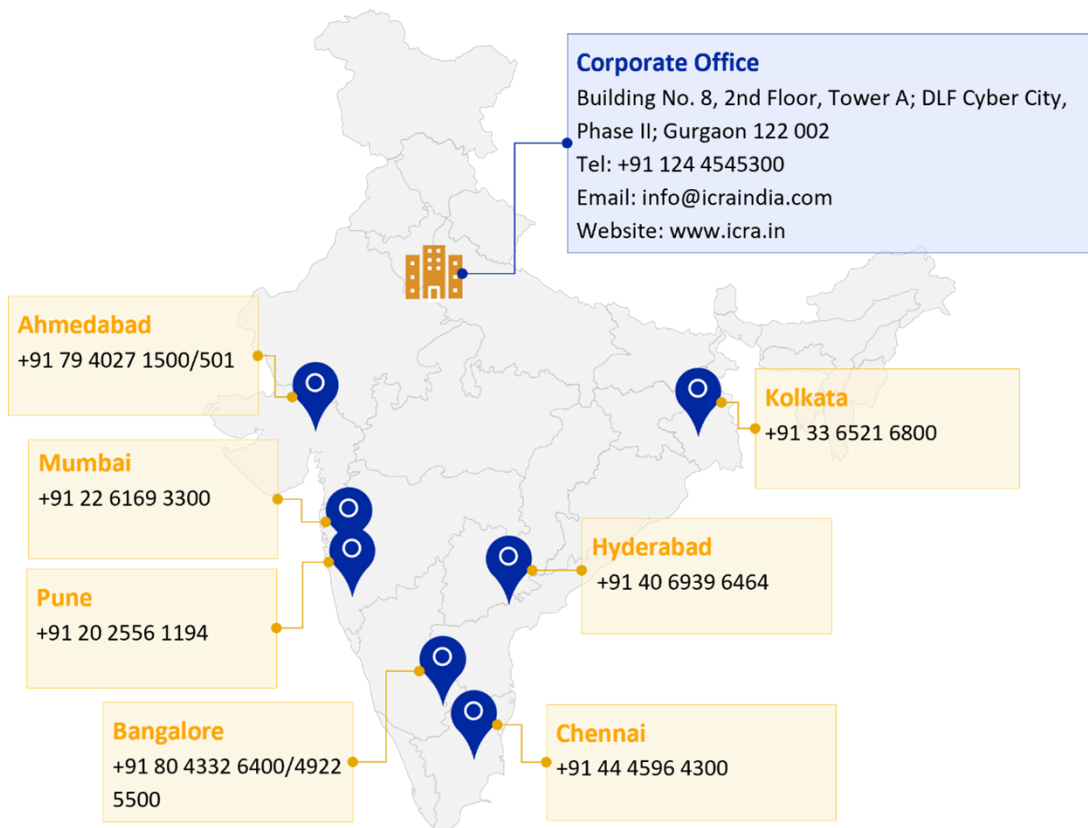
Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.