



## Press Release

**Montage Enterprises Private Limited**

**February 15, 2022**

**Ratings:**

| Facilities                 | Amount (INR Crore)  | Current Ratings   | Rating Action                                  | Complexity Indicator (Simple / High / Complex) |
|----------------------------|---|---|--|--|
| Long term Bank Facilities  | 248.05**  | IVR BB+(INC)* (IVR Double B Plus) ISSUER NOT COOPERATING* | Downgraded and moved to ISSUER NOT COOPERATING | Simple   |
| Short term Bank Facilities | 110.00#   | IVR A4+ (INC)* (IVR A Four Plus) ISSUER NOT COOPERATING   | Downgraded and moved to ISSUER NOT COOPERATING | Simple   |
| <b>Total</b>               | <b>358.05 (INR Three Hundred Fifty-Eight Crores and five lakhs)</b> |   |  |  |

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

*\*\*Includes proposed amount of Rs. 35.00 crore*

*# Includes proposed amount of Rs. 10.00 crore*

### **Details of Facility are in Annexure 1**

#### **Detailed Rationale**

The rating downgrade is because of lack adequate information regarding Montage Enterprises Private Limited performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

#### **Non-cooperation by Issuer**

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities and complete other rating formalities, vide mail communications dated 30-Nov-2021, 09-Dec-2021, 27-Dec-2021, 31-Dec-2021, 17-Jan-2022, 01-Feb-2022, 10-Feb-2022, 12-Feb-2022 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details for surveillance exercise.



## Press Release

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long term and short term ratings for the bank loan facilities aggregating to Rs. 358.05 Crores of Montage Enterprises Private Limited shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB+: Issuer Not Cooperating & IVR A4+: Issuer Not Cooperating based on best available information.

Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

**Analytical Approach:** Standalone

### Applicable Criteria

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Rating Methodology for Infrastructure Companies](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

### About the Company

Montage Enterprises Private Limited (MEPL), incorporated in 2002 is involved in manufacturing of flexible packaging materials such as polyester laminated rolls, laminated pouches, and laminated paper rolls and Pet Chips catering mainly to the pan masala and processed foods industry. It is headquartered in New Delhi and has its manufacturing units in Noida (Uttar Pradesh), Malanpur (Madhya Pradesh), Haridwar (Uttarakhand), and Jammu. MEPL is promoted by Mr. Arvind Gupta.

### Financials (Standalone):

(Rs. Crore)

| For the year ended/As on  | 31.03.2020 | 31.03.2021 |
|---------------------------|------------|------------|
|                           | Audited    | Audited    |
| Total Operating Income    | 2096.02    | 2059.99    |
| EBITDA                    | 220.99     | 143.66     |
| PAT                       | 72.75      | 15.42      |
| Total Debt                | 433.01     | 447.48     |
| Tangible Networth         | 705.99     | 794.59     |
| EBITDA Margin (%)         | 10.54      | 6.97       |
| PAT Margin (%)            | 3.47       | 0.74       |
| Overall Gearing Ratio (x) | 0.61       | 0.56       |



## Press Release

**Status of non-cooperation with previous CRA:** The rating was moved to issuer non-cooperation category by CRISIL Ratings Limited on Dec 24, 2021 on account of failure to receive required information from MEPL.

**Any other information:** Nil

**Rating History for last three years:**

| S. No | Name of Instrument/Facilities | Current Rating (Year 2021-22) |                                |                                  | Rating History for the past 3 years                    |   |   |
|-------|-------------------------------|-------------------------------|--------------------------------|----------------------------------|--|---|---|
|       |                               | Type                          | Amount outstanding (INR Crore) | Rating (February 15, 2022)       | Date(s) & Rating(s) assigned in 2020-21 (Nov 17, 2020) | Date(s) & Rating(s) assigned in 2019-20 | Date(s) & Rating(s) assigned in 2018-19 |
| 1.    | Fund Based Facilities         | Long Term                     | 248.05**                       | IVR BB+ (Issuer Not Cooperating) | IVR BBB-Stable Outlook                                 | -                                       | -                                       |
| 2.    | Non Fund Based Facilities     | Short Term                    | 110.00#                        | IVR A4+ (Issuer Not Cooperating) | IVR A3   | -                                       | -                                       |

**\*\*Includes proposed amount of Rs. 35.00 crore**

**# Includes proposed amount of Rs. 10.00 crore**

**Name and Contact Details of the Rating Analyst:**

|   |   |
|---|---|
| Name: Ms. Navnica Mishra  | Name: Mr. Om Prakash Jain   |
| Tel: (011) 24611910   | Tel: (011) 24611910   |
| Email: <a href="mailto:navnica.mishra@infomerics.com">navnica.mishra@infomerics.com</a> | Email: <a href="mailto:opjain@infomerics.com">opjain@infomerics.com</a> |

### About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank



## Press Release

facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

### Annexure 1: Details of Facility

| Name of Facility                                     | Size of Facility (INR Crore) | Date of Issuance | Coupon Rate/ IRR | Maturity Date | Rating Assigned/ Outlook |
|--|------------------------------|------------------|------------------|---------------|--------------------------|
| Long Term Fund Based Facility-Term Loan              | 133.05*                      | -                | -                | April, 2026   | IVR BB+ (INC)*           |
| Long Term Fund Based Facility-Cash Credit            | 115.00                       | -                | -                | -             | IVR BB+ (INC)*           |
| Short Term Non Fund Based Facility- Letter of Credit | 110.00#                      | -                | -                | -             | IVR A4+ (INC)*           |

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

**Annexure 2: List of companies considered for consolidated analysis: Not Applicable**

**Annexure 3: Facility wise lender details**

<https://www.infomerics.com/admin/prfiles/Montage-Enterprises-Lenders-feb22.pdf>

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable**

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).