



Press Release

Sagar Metallica Private Limited

April 01, 2022

Ratings

Sl. No.	Instrument/Facility	Amount (Rs. Crore)	Ratings	Previous Ratings	Rating Action	Complexity Indicator
1	Bank Facilities-Fund Based Long Term	14.57	IVR BB/ Issuer Not Cooperating (IVR Double B with Issuer Not Cooperating)	IVR BB+/ Stable Outlook (IVR Double B Plus with Stable Outlook)	Downgraded and moved to Issuer Not Cooperating	Simple
	Total	14.57 (Rs. Fourteen Crores & Fifty-Seven lakhs only)				

Details of Facilities are in Annexure 1.

Detailed Rationale

The rating downgrade is because of lack of adequate information regarding **Sagar Metallica Private Limited** 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, vide E-mail communications dated February 10, 2022, February 25, 2022, March 15, 2022, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted all the essential information and documents. Availability of information is very critical



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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 rating for the bank loan facilities of **Sagar Metallica Private Limited** aggregating to **Rs. 14.57** crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as **"IVR BB, INC (IVR Double B; Issuer Not Co-operating); 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 Approach

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

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

Guidelines on what constitutes Non-Cooperation by clients

About the Company

M/S Sagar Metallica Pvt. Ltd. (SMPL) was incorporated on December 2009 at Surat, Gujarat. (erstwhile Sagar Melton Private Limited). Mr. Sureshbhai Patel is the Managing Director of the company. Mr. Jayantibhai B Patel and Mr. Ritaben Patel are other directors of the company. SMPL is engaged into manufacturing of lacquered polyester film and badlazari with an installed capacity of 1000 tonnes per day as on March 31, 2019. The products manufactured by the company find application in textile industry, while the final products are sold to yarn and fabric manufacturers in Surat as well as few Indian states like Karnataka, Tamil Nadu, and Uttar Pradesh. The group entities of SMPL are Sagar Enterprise, Nirali Fashion, Sagar Corporation and Sagar Prints are into similar line of business.

Financials (Standalone):

For the year ended*/As on	(Rs. crore)	
	31-03-2019	31-03-2020
	Audited	Audited
Total Operating Income	111.28	117.61
EBITDA	4.68	6.53
PAT	1.81	3.56
Total Debt	17.37	17.16



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For the year ended*/As on	31-03-2019	31-03-2020
Tangible Net worth	7.98	11.49
EBITDA Margin (%)	4.21%	5.56%
PAT Margin (%)	1.62%	3.00%
Overall Gearing Ratio (x)	2.18	1.49

**Classification as per Infomerics' standards*

Status of non-cooperation with previous CRA: Issuer not cooperating by Brickwork Ratings, vide press release dated May 01, 2021, due to non-availability of information.

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2021-22)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21 (28 January 2021)	Date(s) & Rating(s) assigned in 2019-20
1.	Term Loan	Long Term	3.57	IVR BB/ Issuer Not Cooperating	-	IVR BB+/ Stable Outlook	-
2.	Cash Credit	Long Term	11.00	IVR BB/ Issuer Not Cooperating	-	IVR BB+/ Stable Outlook	-

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.

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About Infomerics:



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Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI). Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating. Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks. Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations. For more information visit www.infomerics.com

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 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 Facilities



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Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facility – Term Loan	-	-	-	3.57	IVR BB/ Issuer Not Cooperating (IVR Double B with Issuer Not Cooperating)
Long Term Bank Facility- Cash Credit	-	-	-	11.00	IVR BB/ Issuer Not Cooperating (IVR Double B with Issuer Not Cooperating)

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

Annexure 3: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Sagar-Metallics-lenders-apr22.pdf>

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

Annexure 5: Complexity level of the rated Instruments/Facilities

Sr No.	Instrument	Complexity Indicator
1.	Term Loan	Simple
2.	Cash Credit	Simple

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.