



## Press Release

### Sagar Metallica Private Limited

3<sup>rd</sup> May, 2024

#### Ratings:

Instrument / Facility**	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Fund-Based Bank Facilities	14.57	IVR B+ /Negative; ISSUER NOT COOPERATING*  (IVR B Plus with Negative Outlook; ISSUER NOT COOPERATING)	IVR BB- /Negative; ISSUER NOT COOPERATING  (IVR Double B Minus with Negative Outlook; ISSUER NOT COOPERATING)	Downgraded under ISSUER NOT COOPERATING	Simple
<b>Total</b>	<b>14.57</b>	<b>Rupees Fourteen Crores and Fifty-Seven Lakhs only</b>			

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

\*\* Details of facilities is given in Annexure-I

#### Ratings

The rating has been downgraded under 'ISSUER NOT COOPERATING' category due to non-submission of information and lack of management co-operation.

#### Detailed Rationale

The rating revision is because of lack of adequate information regarding Sagar Metallica Private Limited (SMPL) performance and hence the uncertainty around its credit risk. Infomerics Valuation and Rating Private Limited (IVR) assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy. IVR had rated the bank loan facilities of Sagar Metallica Private Limited in April 2023. Despite close follow up through telephone calls and mails dated April 5th, 2024, April 25th, 2024, and April 29th, 2024, and concurrently over several phone calls for submission required information for review and failure to submit minimum required information for a review is considered as an act of non-cooperation. In the absence of adequate information from the company, IVR is unable to assess the company's financial performance and its ability to service its debt and maintain a valid rating. 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. Based upon the same,



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Infomerics Ratings (IVR) has downgraded the long-term rating to IVR B+/Negative, under ISSUER NOT COOPERATING.

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

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 rating for the bank loan facilities of Sagar Metallica Private Limited aggregating to Rs. 14.57 crore have been downgraded under 'ISSUER NOT COOPERATING' category by Infomerics and the long term rating to be noted as IVR B+/Negative; ISSUER NOT CO-OPERATING; based on best available information.

**Analytical Approach:** For arriving at the ratings, IVR has analysed SMPL's credit profile by considering the standalone financial statements of the company.

### **Applicable Criteria:**

[Rating Methodology for Manufacturing companies](#)  
[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)  
[Guidelines on what constitutes Non-Cooperation by clients](#)  
[Criteria for assigning rating outlook.](#)

### **About the Company**

M/S Sagar Metallica Pvt. Ltd. (SMPL) was incorporated in 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.



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### Financials (Standalone):

(Rs. Crore)

For the year ended*	31-03-2019	31-03-2020
	<b>Audited</b>	<b>Audited</b>
Total Operating Income	111.28	117.61
EBITDA	4.68	6.53
PAT	1.81	3.56
Total Debt	17.37	17.16
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:** Brickwork Ratings via press release dated 17<sup>th</sup> May 2023 has continued the rating under ISSUER NOT COOPERATING category due to not submission of required information.

**Any other information:** Not Applicable

**Rating History for last three years:**

Sr. No.	Nature of Instrument/Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years			
		Tenure	Amount (Rs. Crore)	Rating (May 3rd, 2024)	Date(s) & Rating(s) assigned in 2023-24 (April 5 <sup>th</sup> , 2023)	Date(s) & Rating(s) assigned in 2022-23 (April 1 <sup>st</sup> , 2022)	Date(s) & Rating(s) assigned in 2023-22	Date(s) & Rating(s) assigned in 2020-21 (January 28, 2021)
1.	Fund Based	Long Term	14.57	IVR B+/Negative; INC	IVR BB-/Negative; INC	IVR BB; INC	-	IVR BB+/Stable

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



## Press Release

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### About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations. Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary. For more information visit [www.infomerics.com](http://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 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



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### Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	As per Sanction Letter	3.57	IVR B+/Negative; INC
Cash Credit	-	-	-	11.00	IVR B+/Negative; INC

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

**Annexure 3: Facility wise lender details:**

<https://www.infomerics.com/admin/prfiles/len-sagar-metallics-apr24.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).