



## Press Release

### Saurashtra Fuels Private Limited

**May 29, 2024**

#### Ratings

Facilities	Amount (INR crore)	Ratings	Rating Action	<u>Complexity Indicator</u>
Long Term Bank Facilities	85.00	IVR BB+/ Negative ISSUER NOT COOPERATING* (IVR Double B Plus with Negative Outlook Issuer Not Cooperating)	Downgraded from IVR BBB-/ Stable (IVR Triple B Minus with stable outlook) and moved to Issuer Not Cooperating category	Simple
Short Term Bank Facilities	175.00	IVR A4+ ISSUER NOT COOPERATING* (IVR A Four Plus Issuer Not Cooperating)	Downgraded from IVR A3 (IVR A Three) and moved to Issuer Not Cooperating category	Simple
<b>Total</b>	<b>260.00 (INR two hundred sixty crore only)</b>			

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

#### Details of Facilities are in Annexure 1

#### Detailed Rationale

The downgrade in the ratings is because of lack of adequate information regarding Saurashtra Fuels Private Limited's (SFPL) 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 outlook is negative due to information availability risk. 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.



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

Infomerics has been regularly following up with the entity to provide the required data to monitor its assigned rating to the bank facility, vide mail communications dated 07-02-2024, 22-02-2024, 21-03-2024, 26-04-2024, 03-05-2024, 06-05-2024, 07-05-2024, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the entity's management has not submitted surveillance fees and all the essential details required for detailed review of the assigned ratings.

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 INR 260.00 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB+/ Negative/ IVR A4+ ISSUER NOT COOPERATING based on best available information (IVR Double B Plus with Negative Outlook and IVR A Four Plus Issuer Not Cooperating based on best available information).

### **Analytical Approach & Applicable Criteria:** Standalone

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

[Rating Methodology for Manufacturing companies](#)

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

[Criteria of Rating Outlook](#)

[Default Recognition Policy](#)

### **About the Company**

Gujarat based Saurashtra Fuels Private Limited (SFPL) was co-promoted by the Agarwalla and Sinha group in 1993 with the objective of producing quality low ash metallurgical coke with the latest technology based on imported coal in Western India. SFPL is India's largest manufacturer of low ash metallurgical coke. With a cumulative production of 14 lakh tonnes spread over 6 manufacturing facilities.



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### Financials (Standalone):

(INR Crore)

For the year ended* / As On	31-03-2021	31-03-2022
	<b>Audited</b>	<b>Audited</b>
Total Income	211.97	1252.70
EBITDA	16.33	154.77
PAT	1.90	101.61
Total Debt	54.32	75.62
Adjusted Tangible Net worth (including quasi equity)	124.40	226.02
EBITDA Margin (%)	7.71	12.36
PAT Margin (%)	0.89	8.10
Adjusted Overall Gearing Ratio (including quasi equity) (x)	0.44	0.33

\*Classification as per Infomerics' standards.

**Status of non-cooperation with previous CRA:** Nil

**Any other information:** Nil

**Rating History for last three years:**

Sr. No.	Name of Instrument/ Facilities	Current Rating (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 (Apr 05, 2023)	Date(s) & Rating(s) assigned in 2022-23 (Jul 19, 2022)	Date(s) & Rating(s) assigned in 2021-22
1.	Fund Based Facility – Term Loan	Long Term	10.00	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable	-	-
2.	Fund Based Facility – Cash Credit	Long Term	75.00	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable	-	-
3	Short Term Non-Fund Based Facility – Letter of Credit	Short Term	175.00	IVR A4+ ISSUER NOT COOPERATING*	IVR A3	-	-
4	Fund Based Facility – Term Loan	-	-	-	-	IVR BBB-/ Positive	-



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5	Fund Based Facility – Cash Credit	-	-	-	-	IVR BBB-/ Positive	-
6	Long Term Fund Based Facilities - Proposed	-	-	-	-	IVR BBB-/ Positive	-
7	Short Term Non-Fund Based Facilities- Letter of Credit	-	-	-	-	IVR A3	-
8	Short Term Non-Fund Based Facilities – Proposed	-	-	-	-	IVR A3	-

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

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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).



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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.

### 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	-	-	March-2025	10.00	IVR BB+/ Negative ISSUER NOT COOPERATING*



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Cash Credit	-	-	-	75.00	IVR BB+/ Negative ISSUER NOT COOPERATING*
Letter of Credit	-	-	-	175.00	IVR A4+ ISSUER NOT COOPERATING*

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

**Annexure 2: Facility wise lender details:** Not Applicable

**Annexure 3: List of companies considered for consolidated analysis:** Not Applicable

**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)