

## Saffron Met Yarns Limited

June 01, 2021

### Ratings

Facilities / Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	9.75	CARE B-; Stable; ISSUER NOT COOPERATING* (Single B Minus; Outlook: Stable ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B; Stable; (Single B; Outlook: Stable)
Total Facilities	9.75 (Rs. Nine Crore and Seventy-Five Lakhs Only)		

Details of facilities in Annexure-1

### Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated May 08, 2020, placed the rating of Saffron Met Yarns Limited (SMYL) under the 'issuer non-cooperating' category as SMYL had failed to provide information for monitoring of the rating for the rating exercise as agreed to in its Rating Agreement. SMYL continues to be non-cooperative despite repeated requests for submission of information through phone calls and emails dated March 24, 2021, April 03, 2021, April 08, 2021, April 13, 2021 and May 13, 2021. In line with the extant SEBI guidelines, CARE has reviewed the ratings on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.**

The ratings assigned to the bank facilities of SMYL have been revised on account of non-availability of requisite information.

### Detailed description of key rating drivers

Please refer to PR dated [May 08, 2020](#)

**Analytical approach:** Standalone

**Applicable Criteria**

[Policy in respect of non-cooperation by issuer](#)

### About the Company

SMYL was incorporated in September 2009 as Saffron Met Yarns Pvt. Ltd. (SMYL) by Mr. Brijendra Kishanlal Chopra and Mrs. Surinderkaur Chopra. Subsequently, during December 2010, the company got converted into public limited company and resumed its current name. SMYL is engaged in manufacturing of Jari Kasab which finds its application in handicrafts and fashion segment. The major end uses of the zari thread manufactured in Surat include sarees (as a weaving thread for the world famous Banarasi and Kanjeevaram sarees), dress material, and upholstery made ups; for craft- laces and borders, embroidery, rakhi, bangles, badges and gift articles. SMYL operates from its ISO 9001:2008 manufacturing facility located at Surat (Gujarat) with an installed capacity to manufacture 1650 tonnes per annum of zari on March 31, 2017. SMYL sells Jari in the brand names of "Saffron".

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)
Total operating income	27.70	23.22
PBILDT	(0.68)	1.11
PAT	0.93	0.13
Overall gearing (times)	0.95	0.82
Interest coverage (times)	NM	2.70

A: Audited, NM – Not Meaningful

**Status of non-cooperation with previous CRA:** No Applicable

**Any other information:** Not Applicable

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications  
\*Issuer did not cooperate; Based on best available information

**Rating History for last three years:** Please refer Annexure-2

**Complexity level of various instruments rated for this firm:** Annexure 3

**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	6.50	CARE B-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan	-	-	August, 2024	3.25	CARE B-; Stable; ISSUER NOT COOPERATING*

\*Issuer did not co-operate; Based on best available information

**Annexure-2: Rating History of last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Fund-based - LT-Cash Credit	LT	6.50	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (08-May-20)	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (27-Mar-19) 2)CARE BB-; Stable (05-Apr-18)
2.	Fund-based - LT-Term Loan	LT	3.25	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (08-May-20)	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (27-Mar-19) 2)CARE BB-; Stable (05-Apr-18)

\*Issuer did not co-operate; Based on best available information

**Annexure 3: Complexity level of various instruments rated for this company**

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple
2.	Fund-based - LT-Term Loan	Simple

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

## Contact us

### Media Contact

Name: Mr. Mradul Mishra  
Contact no. – +91-22-6837 4424  
Email ID – mradul.mishra@careratings.com

### Analyst Contact

Group Head Name – Ms. Shreedha Shah  
Group Head Contact no.- +91-79-4026 5636  
Group Head Email ID- shreedha.shah@careratings.com

### Business Development Contact

Name: Mr. Deepak Prajapati  
Contact no. : +91-79-4026 5656  
Email ID : deepak.prajapati@careratings.com

### About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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