

## Sagar Steel Processing & Manufacturing Unit

October 30, 2023

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	23.00	CARE BB; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

### Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated September 27, 2022, placed the rating(s) of Sagar Steel Processing & Manufacturing Unit (SSPMU) under the 'issuer non-cooperating' category as SSPMU had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. SSPMU continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated August 13, 2023, August 23, 2023, September 02, 2023.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'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 rating(s).**

### Analytical approach: Combined

CARE has combined the financials of Sagar Steels (SS) (Rated: CARE BBB-; Stable and CARE A3 as on April 05, 2023) and Sagar Steel Processing and Manufacturing Unit (SSPMU), as these entities are 1) controlled by the common partners, 2) both the entities exhibit cash flow fungibility, and 3) the entities have operational linkages.

### Outlook: Stable

### Detailed description of the key rating drivers

Please refer to PR dated [September 27, 2022](#)

### Applicable criteria

[CARE Ratings' criteria on information adequacy risk and issuer non-cooperation](#)

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

[CARE Ratings' criteria on consolidation & combined approach](#)

### About the Firm

Sagar Steel Processing and Manufacturing Unit (SSPMU) engaged in manufacturing of structural steel with an installed capacity of 28,800 tpa. The firm sells the product in the North-Eastern India under the brand name of "Sagar". The other group company of the firm i.e., Sagar Steels (SS) was incorporated as a partnership firm in 1991 by Guwahati based Agarwal family for trading in iron and steel products with a warehouse located at Abhoyapur in Guwahati. The firm is an exclusive authorized distributor of flat products of Tata Steels Limited in the North-East region of India. The firm sells its product through a network of around 300 dealers appointed across the region. The firm has a warehouse of ~2 lakh sq. ft. at Abhoyapur in North Guwahati.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

**Standalone - SSPMU**

Brief Financials (Rs. crore)	March 31, 2021 (A)*	March 31, 2022 (A)
Total operating income	72.23	96.88
PBILDT	8.66	10.22
PAT	5.08	7.12
Overall gearing (times)	0.14	0.47
Interest coverage (times)	6.42	9.26

A: Audited, Note: 'the above results are latest financial results available'

\*FY21 financials have been revised in line with CARE's revised criteria on classification of non-core items as part of non-operating income

**Combined**

Brief Financials (Rs. crore)	March 31, 2021 (UA)*	March 31, 2022 (UA)
Total operating income	303.53	357.98
PBILDT	14.58	17.52
PAT	7.38	11.53
Overall gearing (times)	0.84	1.11
Interest coverage (times)	4.33	4.31

UA: UnAudited, Note: 'the above results are latest financial results available'

\*FY21 financials have been revised in line with CARE's revised criteria on classification of non-core items as part of non-operating income

**Status of non-cooperation with previous CRA:** Not Applicable**Any other information:** Not Applicable**Rating History for last three years:** Please refer Annexure-2**Covenants of rated instrument/facility:** Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3**Complexity level of various instruments rated:** Annexure-4**Lender details:** Annexure-5**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	23.00	CARE BB; Stable; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; 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 (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Fund-based - LT-Cash Credit	LT	23.00	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (27-Sep-22)	1)CARE BB; Stable; ISSUER NOT COOPERATING* (16-Aug-21)	1)CARE BB; Stable; ISSUER NOT COOPERATING* (11-Jun-20)

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

**Annexure-3: Detailed explanation of covenants of the rated instruments/facilities:** Not Applicable**Annexure-4: Complexity level of the various instruments rated**

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

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instrument:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for any clarifications.

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### About us:

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