

## Sagar Steel Processing & Manufacturing Unit

November 21, 2024

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 and key rating drivers

CARE Ratings Ltd. had, vide its press release dated October 30, 2023, placed the rating(s) of Sagar Steel Processing & Manufacturing Unit (SSPMU) under the 'issuer non-cooperating' category as SSPMU had failed to provide information including the No default statement (NDS) for monitoring of the rating as agreed to in its Rating Agreement. SSPMU continues to be non-cooperative despite repeated requests for submission of information through e-mails dated September 14, 2024, September 24, 2024, October 04, 2024 among others.

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 01, 2024) 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 [October 30, 2023](#)

### Applicable criteria

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

[Policy on Default Recognition](#)

[Criteria on Assigning 'Outlook' or 'Rating Watch' to Credit Ratings](#)

[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 ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Limited's publications.

**Standalone - SSPMU**

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)
Total operating income	96.88	124.61
PBILDT	10.22	12.80
PAT	7.12	9.66
Overall gearing (times)	0.47	0.66
Interest coverage (times)	9.26	10.13

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

**Combined - SS and SSPMU**

Brief Financials (Rs. crore)	March 31, 2022 (UA)	March 31, 2023 (UA)	9MFY24(UA)^
Total operating income	357.98	396.43	324.85
PBILDT	17.52	21.85	15.78
PAT	11.53	13.67	NA
Overall gearing (times)	1.11	1.44	NA
Interest coverage (times)	4.31	5.43	NA

UA: Audited; NA: Not Available; Note: 'the above results are latest financial results available'

^Firms have reported a PBT Rs. 9.18 Cr. and Total Debt amounting to Rs. 79.91 Cr. for the 9MFY24 on a combined basis.

Standalone 9MFY24 figures for SSPMU are not available.

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Covenants of rated instrument / facility:** 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 and 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 for 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 2024-2025	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
1	Fund-based - LT-Cash Credit	LT	23.00	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (30-Oct-23)	1)CARE BB; Stable; ISSUER NOT COOPERATING* (27-Sep-22)	1)CARE BB; Stable; ISSUER NOT COOPERATING* (16-Aug-21)

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

LT: Long term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable

**Annexure-4: Complexity level of 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 rated instruments:** CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for clarifications.

## Contact us

<b>Media Contact</b>  Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a>	<b>Analytical Contacts</b>  Shachee Nakul Vyas Assistant Director <b>CARE Ratings Limited</b> Phone: 079-40265665 E-mail: <a href="mailto:shachee.tripathi@careedge.in">shachee.tripathi@careedge.in</a>
<b>Relationship Contact</b>  Ankur Sachdeva Senior Director <b>CARE Ratings Limited</b> Phone: 912267543444 E-mail: <a href="mailto:Ankur.sachdeva@careedge.in">Ankur.sachdeva@careedge.in</a>	Aniket Shringarpure Lead Analyst <b>CARE Ratings Limited</b> Phone: 079-40265659 E-mail: <a href="mailto:aniket.shringarpure@careedge.in">aniket.shringarpure@careedge.in</a>
	Bhumika Baridun Associate Analyst <b>CARE Ratings Limited</b> E-mail: <a href="mailto:Bhumika.baridun@careedge.in">Bhumika.baridun@careedge.in</a>

### About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

### Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.