

Saheb Fibre Private Limited

April 08, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	65.00	CARE B; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE B+; Stable and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	2.00	CARE A4; ISSUER NOT COOPERATING*	Rating moved to 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. (CARE Ratings) has been seeking information from Saheb Fibre Private limited (SFPL) to monitor the ratings vide e-mail communications dated December 07, 2024, January 08, 2025, January 10, 2025, January 13, 2025, January 16, 2025 and February 12, 2025, March 16, 2025, March 18, 2025 and March 20, 2025 and March 27, 2025 amongst others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings has reviewed the rating on the basis of the best available information which however, in CARE Ratings' opinion is not sufficient to arrive at a fair rating. Further, SFPL has not paid the surveillance fees for the rating exercise agreed to in its rating agreement. In line with the extant SEBI guidelines, CARE Rating Limited's rating on SFPL's bank facilities will now be denoted as 'CARE B; Stable/ CARE A4; ISSUER NOT COOPERATING*'.

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

Ratings have been revised on account of non-availability of the requisite information to conduct the review.

The ratings assigned to the bank facilities of Saheb Fibre Private Limited (SFPL) continues to remain constrained on account of project implementation and stabilization risk associated with on-going debt-funded capex, presence in highly competitive and fragmented polyester staple fibre (PSF) industry with raw material price fluctuation risk along with exposure to volatility in finished goods prices. The ratings, however, continue to derive strength from its experience of promoters through group entities along with benefits from technological advancement and expected government incentives.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects that SFPL is likely to complete its debt funded capex within time and cost parameters and achieve envisaged total operating income (TOI) and profitability.

Detailed description of key rating drivers:

At the time of last rating on March 05, 2024, the following were the rating strengths and weaknesses considered.

Key weaknesses

Project implementation and stabilization risk associated with on-going debt-funded capex

SFPL is establishing PSF manufacturing unit in Morbi (Gujarat). Operations were expected to commence from July 2024 with installed capacity of 20338 MTPA. The total cost of project is envisaged to Rs.89.50 crore with project gearing of 1.98 times. Till February 23, 2024, SFPL has incurred cost of Rs.68.85 crore as against costs of Rs.18.09 crore incurred till May 17, 2023. CARE Ratings Limited (CARE Ratings) expects project to be completed within time and costs parameter. With steady progress and ~23% of pending costs to be incurred, project implementation risk is moderated to a certain extent, however, stabilization risk persists. Completion of project within envisaged time and cost parameter along with stabilization of operations are key rating monitorable.

Highly competitive and fragmented nature of industry with raw material price fluctuation risk

The company operates in the PSF industry which is highly competitive industry with presence of numerous independent small-scale enterprises owing to low entry barriers leading to high level of competition in the processing segment. Furthermore, PSF industry also faces competition from the low-cost countries like China and Bangladesh. The intense competition in the industry also restricts ability to completely pass on volatility in input cost to its customers, leading to lower profit margins. Further, the basic raw material of the company is Polyethylene terephthalate (PET) bottles which is the downstream petroleum product and hence the prices of which are linked to international crude prices.

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Exposure to volatility in finished goods prices

The price of PSF is benchmarked against the prices of virgin PSF, which in turn, is linked to the prices of Poly Terephthalic acid (PTA) and mono ethylene glycol (MEG) (i.e., derivatives of crude oil). PSF's prices are at a discount (approximately 15-20%) to virgin PSF prices. Any downward movement in crude oil prices makes PSF less attractive vis-à-vis virgin PSF, as the spread between the two gets narrowed. However, the risk is mitigated to an extent as PET waste does not have any other significant usage apart from that in PSF manufacturing. Hence, PSF manufacturers have ability to negotiate input raw material prices in times of declining PSF prices.

Key Strengths

Experienced Promoters

SFPL is promoted by 5 promoters viz. Mr. Jigar Sitapara, Mr. Harsh Saradava, Mr. Parth Bhatasana, Mr. Sandip Haraniya and Mr. Arjan Haraniya. Mr. Jigar Sitapara has 9 years of experience in ceramic industry, Mr. Harsh Saradava has decade of experience in textile industry, Mr. Parth Bhatasana has 5 years of experience in ceramic industry, Mr. Sandip Haraniya has 12 years of experience in marketing segment of various industries and Mr. Arjan Haraniya has 29 years of experience in diamond industry. All the promoters are involved in various functions of either of the group company or associate company of SFPL and thus possess the knowledge of setting up the manufacturing plant and carrying out its operations. Also, the overall, operations of the company will be supported by another qualified individual namely Mr. Omprakash Tiwari. Mr. Omprakash Tiwari has over 3 decades of industry experience in planning, procurements, marketing and plant management in the field of PSF. Also, the connections build by Mr. Omprakash Tiwari in the textile industry will be helpful for SFPL.

Latest technology benefit along with expected benefits from government incentives

SFPL has purchased PSF production line from Shanghai Pacific Erfanji Fibre Complete Equipment Co. Ltd., which will provide latest technological benefits to production process of SFPL. Also, under the 'PET Bottle Recycling using Indigenous Waste' SFPL will be eligible for financial assistance up to 40% of fixed capital investment in the project and maximum up to Rs.50 crore.

Liquidity: Stretched

Project implementation and stabilization along with generation of envisaged cash accruals to meet the debt obligation shall remain crucial from credit perspective. Operations are expected to commence from July 2024 onwards while debt repayment will commence from November 2024. Debt repayment obligation for FY25 remains at Rs.2.40 crore.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Project stage companies](#)

[Short Term Instruments](#)

[Manmade Yarn-Methodology](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Textiles	Textiles & Apparels	Other Textile Products

Rajkot, Gujarat based Saheb Fibre Private Limited (SFPL) was incorporated on September 29, 2022, by 5 promoters viz. Mr. Jigar Sitapara, Mr. Harsh Saradava, Mr. Parth Bhatasana, Mr. Sandip Haraniya and Mr. Arjan Haraniya. SFPL is implementing greenfield project to manufacture PSF from post consumed PET bottles with expected project costs of Rs.89.50 crore. SFPL will operate from its sole manufacturing facility at Morbi, Gujarat and expects to commence operations from July 2024 with installed capacity of 20338 MTPA. PSF finds its application in pillows, soft toys, cushions, clothing and home furnishing items like curtains, carpets, wall coverings, sheets, etc.

Brief Financials: Not applicable since it's a project phase entity.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	20.00	CARE B; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	31-03-2032	45.00	CARE B; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	2.00	CARE A4; 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-Term Loan	LT	45.00	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable (05-Mar-24) 2)CARE B+; Stable (30-May-23)	-	-
2	Fund-based - LT-Cash Credit	LT	20.00	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable (05-Mar-24) 2)CARE B+; Stable (30-May-23)	-	-
3	Non-fund-based - ST-Bank Guarantee	ST	2.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4 (05-Mar-24) 2)CARE A4 (30-May-23)	-	-

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

LT: Long term; ST: Short term; LT/ST: Long term/Short 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
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-Bank Guarantee	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 for clarifications.

Contact us

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Ankur Sachdeva Senior Director CARE Ratings Limited Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in</p>	<p>Analytical Contacts</p> <p>Kalpesh Ramanbhai Patel Director CARE Ratings Limited Phone: 079-40265611 E-mail: kalpesh.patel@careedge.in</p> <p>Jignesh Trivedi Assistant Director CARE Ratings Limited Phone: 079-40265631 E-mail: jignesh.trivedi@careedge.in</p> <p>Utsavi Jigneshbhai Shah Analyst CARE Ratings Limited E-mail: Utsavi.Shah@careedge.in</p>
--	---

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.

**For detailed Rationale Report and subscription information,
please visit www.careedge.in**