

Sam Industrial Enterprises Limited

February 26, 2021

Rating

| Facilities / Instruments | Amount (Rs. crore) | Rating ¹ | Rating Action |
|----------------------------|---------------------------------------|--|--|
| Long Term Bank Facilities | 7.50 | CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*) | Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE C; (Single C) |
| Short Term Bank Facilities | 2.50 | CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*) | Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE A4; (A Four) |
| Total Facilities | 10.00 (Rs. Ten Crore Only) | | |

Details of facilities in Annexure-1

The revision in the rating assigned to the bank facilities of Sam Industrial Enterprises Limited takes into account continuous overdraws in the working capital limits for more than 30 days. Further, the rating takes into account non-availability of requisite information and no due-diligence conducted due to non-cooperation by Sam Industrial Enterprises Limited with CARE'S efforts to undertake a review of the rating outstanding. CARE views information availability risk as a key factor in its assessment of credit risk.

Detailed description of the key rating drivers

Key Rating Weakness

There have been instances of over utilizations of working capital limits for more than consecutive 30 days due to stressed liquidity position.

Analytical approach: Standalone

Applicable Criteria

- Policy in respect of Non-cooperation by issuer
- CARE's Policy on Default Recognition
- Financial ratios – Non-Financial Sector
- Liquidity Analysis of Non-Financial Sector Entities
- Criteria for Short Term Instruments
- CARE's methodology for manufacturing companies
- Rating Methodology - Service Sector Companies

About the Company

Noida (Uttar Pradesh) based, SAM Industrial Enterprises Limited (SIEL) was incorporated in 1992 as SIRIUS Industrial Enterprises Limited. In 1995 the name changed to the present one. The company was promoted by Mr. Amit Kaka. . SIEL is engaged in designing, printing and binding of books such as text books, guides for 10th and 12th standard, sample papers, brochures and other printed education material for various boards like Board of High School and Intermediate Education Uttar Pradesh (U.P. Board), National Council of Educational Research and Training (NCERT) and Jharkhand Academic Council (Jharkhand Board). The company procures the raw material such as paper, ink, chemical, lubricants, and packing material locally from traders and distributors. It gets the order through tendering and bidding process.

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Issuer did not cooperate; Based on best available information

| Brief Financials (Rs. crore) | | FY18 (A) | FY19 (A) |
|------------------------------|--|----------|----------|
| Total operating income | | 47.79 | 31.86 |
| PBILDT | | 3.18 | 2.74 |
| PAT | | 0.22 | 0.15 |
| Overall gearing (times) | | 1.24 | 1.16 |
| Interest coverage (times) | | 1.22 | 1.15 |

A: Audited

Status of non-cooperation with previous CRA: CRISIL Ratings has conducted the review and has placed the rating to Issuer not cooperating as per press release dated February 23, 2021.

Any other information: Not Applicable

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

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 | - | - | - | 7.50 | CARE D; ISSUER NOT COOPERATING* |
| Fund-based - ST-Bank Overdraft | - | - | - | 1.50 | CARE D; ISSUER NOT COOPERATING* |
| Non-fund-based - ST-Bank Guarantees | - | - | - | 1.00 | CARE D; 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 (Rs. crore) | Rating | Date(s) & Rating(s) assigned in 2020-2021 | Date(s) & Rating(s) assigned in 2019-2020 | Date(s) & Rating(s) assigned in 2018-2019 | Date(s) & Rating(s) assigned in 2017-2018 |
| 1. | Fund-based - LT-Cash Credit | LT | 7.50 | CARE D; ISSUER NOT COOPERATING* | 1)CARE C; ISSUER NOT COOPERATING* (22-Dec-20) | 1)CARE C; ISSUER NOT COOPERATING* (19-Nov-19) | 1)CARE B+; ISSUER NOT COOPERATING* (04-Jan-19) | 1)CARE B+; ISSUER NOT COOPERATING* (04-Sep-17) |
| 2. | Fund-based - ST-Bank Overdraft | ST | 1.50 | CARE D; ISSUER NOT COOPERATING* | 1)CARE A4; ISSUER NOT COOPERATING* (22-Dec-20) | 1)CARE A4; ISSUER NOT COOPERATING* (19-Nov-19) | 1)CARE A4; ISSUER NOT COOPERATING* (04-Jan-19) | 1)CARE A4; ISSUER NOT COOPERATING* (04-Sep-17) |
| 3. | Non-fund-based - ST-Bank Guarantees | ST | 1.00 | CARE D; ISSUER NOT COOPERATING* | 1)CARE A4; ISSUER NOT COOPERATING* (22-Dec-20) | 1)CARE A4; ISSUER NOT COOPERATING* (19-Nov-19) | 1)CARE A4; ISSUER NOT COOPERATING* (04-Jan-19) | 1)CARE A4; ISSUER NOT COOPERATING* (04-Sep-17) |

*Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Not Applicable

Annexure 4: 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 - ST-Bank Overdraft | Simple |
| 3. | Non-fund-based - ST-Bank Guarantees | 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. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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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.

Disclaimer

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