

## Sagar Cements Limited

January 08, 2019

### Ratings

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long-term Bank Facilities	-	-	Withdrawn
Short-term Bank Facilities	-	-	Withdrawn
<b>Total Facilities</b>	-	-	

*Details of facilities in Annexure-1*

### Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the outstanding ratings of ‘‘CARE BBB- Issuer Not Cooperating / CARE A3 Issuer Not Cooperating [Triple B minus Issuer Not Cooperating / A Three Issuer Not Cooperating]’ assigned to the bank facilities of Sagar Cements Limited, with immediate effect. The above action has been taken at the request of Sagar Cements Limited and upon receipt of ‘No Objection Certificate’ from their lender, who has extended the facilities rated by CARE.

**Analytical approach:** Not Applicable

### Applicable Criteria

Policy on Withdrawal of ratings

### About the Company

Sagar Cements Limited (SCL) was incorporated in January 15, 1981 and commenced operations from January 1985 with an installed capacity of 66,000 Tons Per Annum (TPA) of Cement and 66,000 TPA of Clinker capacity with its manufacturing facilities located in Nalgonda, Andhra Pradesh. SCL manufactures various varieties of cement like Ordinary Portland Cement (OPC) of 53 grade, 43 grade, Portland Pozzalona Cement (PPC) and Sulphate Resistant Cement (SRC). Over the years, SCL has increased the capacity and currently has an installed capacity of 4.3 million (mn) MTPA (including 1 mn MTPA post acquisition of Sagar Cements (R) Limited (erstwhile BMM Cements Limited) for cement and 3.62 mn MTPA for clinker. SCL belongs to Hyderabad based Sagar Group which is into diversified business segments such as, cement manufacturing, hydel power generation through Sagar Power Limited (9.95MW), manufacture of fabric and woven sack for cement industry through Panchavathi Polyfibers and also into consulting and information technology services through group companies RV Consulting and Sagarsoft (India) Limited. 3 CARE Ratings Limited Press Release The company commissioned 6 MW WHR plant unit in Mattampally and solar power plant of 1 MW capacity at its plant at Mattampally became operational on October 26, 2017. Further, SCL successfully acquired Bayyavaram plant with capacity of 0.18 MT in Vizag during FY17.

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

**Any other information:** Not Applicable

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

**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.

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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.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

**Disclaimer**

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

**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-Term Loan	-	-	-	0.00	Withdrawn
Fund-based - LT-Cash Credit	-	-	-	0.00	Withdrawn
Non-fund-based - ST-BG/LC	-	-	-	0.00	Withdrawn
Fund-based - ST-Standby Line of Credit	-	-	-	0.00	Withdrawn

**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 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Fund-based - LT-Term Loan	LT	-	-	1)CARE BBB-; ISSUER NOT COOPERATING* (19-Dec-18)	1)CARE BBB; ISSUER NOT COOPERATING* (07-Feb-18)	1)CARE BBB (12-Oct-16)	1)CARE BBB- (27-Oct-15)
2.	Fund-based - LT-Cash Credit	LT	-	-	1)CARE BBB-; ISSUER NOT COOPERATING* (19-Dec-18)	1)CARE BBB; ISSUER NOT COOPERATING* (07-Feb-18)	1)CARE BBB (12-Oct-16)	1)CARE BBB- (27-Oct-15)
3.	Non-fund-based - ST-BG/LC	ST	-	-	1)CARE A3; ISSUER NOT COOPERATING* (19-Dec-18)	1)CARE A3+; ISSUER NOT COOPERATING* (07-Feb-18)	1)CARE A3+ (12-Oct-16)	1)CARE A3 (27-Oct-15)
4.	Fund-based - ST-Standby Line of Credit	ST	-	-	1)CARE A3; ISSUER NOT COOPERATING* (19-Dec-18)	1)CARE A3+; ISSUER NOT COOPERATING* (07-Feb-18)	1)CARE A3+ (12-Oct-16)	1)CARE A3 (27-Oct-15)

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