

Press Release

Sigma Electric Manufacturing Corporation Private Limited

December 20, 2018



Rating Downgraded

Total Bank Facilities Rated*	Rs.164.00 Cr.#
Long Term Rating	ACUITE A- Issuer not co-operating*
Short Term Rating	ACUITE A2+ Issuer not co-operating*

#Refer Annexure for details

*The issuer did not co-operate; based on best available information.

Rating Rationale

Acuité has revised the long-term rating to '**ACUITE A-**' (**read as ACUITE A minus**) from '**ACUITE AA-** (**read as ACUITE double A minus**) and short term rating to '**ACUITE A2+**' (**read as ACUITE A two plus**) from '**ACUITE A1+** (**read as ACUITE A one plus**) on the Rs.164.00 crore bank facilities of Sigma Electric Manufacturing Corporation Private Limited (Sigma). The rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower: Acuité has been requesting for financial data, management interaction and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information can be a sign of a potential deterioration in credit quality.

Sigma (formerly known as Semco Electric Private Limited) is a Pune-based company established in 1996 by Mr. Sajjan Kumar Agarwal. During FY2007-08, Goldman Sachs Capital Partner Fund, a private equity fund, acquired 80.11 per cent equity stake in Sigma Electric Holdings, Mauritius (holding company of Sigma). In October 2016, Argand Partners LP, a New York-based private equity firm acquired entire stake from Goldman Sachs Private Equity and other shareholders. Mr. Viren A. Joshi continues to be the Director of Sigma.

The company is engaged in the manufacture of electrical wiring and lighting accessories such as electrical boxes, connectors and fittings at Pune (Maharashtra) and Jaipur (Rajasthan). The total installed capacity is 33,587 metric tonnes per annum.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>

Limitation regarding information availability: The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

	Unit	FY17 (Provisional)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	801.68	755.63	760.14
EBITDA	Rs. Cr.	109.42	142.81	117.02
PAT	Rs. Cr.	30.13	75.58	50.88
EBITDA Margin	(%)	13.65	18.90	15.39
PAT Margin	(%)	3.76	10.00	6.69
ROCE	(%)	7.79	23.50	17.37
Total Debt/Tangible Net Worth	Times	0.00	0.00	0.00
PBDIT/Interest	Times	89.26	166.43	322.46
Total Debt/PBDIT	Times	0.00	0.00	0.00
Gross Current Assets (Days)	Days	214	188	154

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

"Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups"

Rating History (Upto last three years)

Date	Name of Instrument/ Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
26-Sept-2017	Export Packing Credit/ Packing Credit in Foreign Currency	Short Term	44.00# (reduced from Rs.72.00)	ACUITE A1+ (Reaffirmed)
	Letter of Credit/Bank Guarantee	Short Term	55.50 (enhanced from Rs.39.50)	ACUITE A1+ (Reaffirmed)
	Cash Credit	Long Term	13.50\$	ACUITE AA- / Negative (Reaffirmed)
	Proposed Short Term Facility	Short Term	51.00	ACUITE A1+ (Reaffirmed)
14-May-2016	Export Packing Credit/ Packing Credit in Foreign Currency	Short Term	72.00#	ACUITE A1+ (Reaffirmed)
	Letter of Credit/Bank Guarantee	Short Term	39.50	ACUITE A1+ (Reaffirmed)
	Cash Credit	Long Term	13.50\$	ACUITE AA- / Stable (Upgraded)
31-Mar-2015	Export Packing Credit/PCFC	Short Term	72.00#	ACUITE A1+ (Reaffirmed)
	Letter of Credit/Bank Guarantee	Short Term	39.50	ACUITE A1+ (Reaffirmed)
	Cash Credit	Long Term	13.50\$	ACUITE A+ / Stable (Reaffirmed)

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Export Packing Credit/ Packing Credit in Foreign Currency	Not Applicable	Not Applicable	Not Applicable	44.00# (reduced from Rs.72.00)	ACUITE A2+ (Downgraded) Issuer not co-operating*
Letter of Credit/Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	55.50 (enhanced from Rs.39.50)	ACUITE A2+ (Downgraded) Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	13.50\$	ACUITE A- (Downgraded) Issuer not co-operating*
Proposed Short Term Facility	Not Applicable	Not Applicable	Not Applicable	51.00	ACUITE A2+ (Downgraded) Issuer not co-operating*

*The issuer did not co-operate; based on best available information.

#includes sublimit of Cash credit of Rs.27.30 crore and overdraft limit of Rs 2.00 crore.

\$includes sublimit of EPC/PCFC - fully interchangeable

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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